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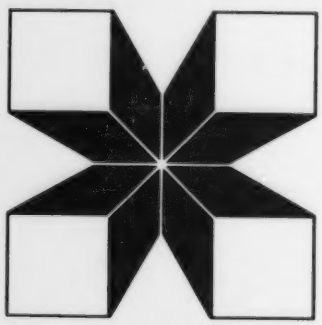

CANADA

INTERNATIONAL MIGRATION OF CONTRACT LABOUR IN ASIA

MAJOR ISSUES AND IMPLICATIONS

GRAEME HUGO AND

ANCHALEE SINGHANETRA-RENARD

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International Migration of Contract Labour in Asia

Major issues and implications

by

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Summary of the proceedings of a workshop held under IDRC auspices
at Chiangmai University, November 16-20, 1987

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FOREWORD

Contract labour migration in the Asian region reflects a complex social, cultural and economic phenomenon. There is still much to gain from the results of social research that helps to better understand not only the occurence of this phenomenon, but also its multiple implications at the regional, national and family levels.

In the 1980s, the Social Sciences Division of IDRC supported several projects on international labour migration among Asian countries. In 1987, after these activities were completed, a regional workshop was organized for the purpose of disseminating the results of these projects. The publication presented here is a selection of the contributions made at the workshop. It summarizes the major issues, conclusions and recommendations of several years of research.

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PREFACE

The migration of workers within and between countries for the performance of predetermined tasks for a limited time period (contract labour) has long been a phenomenon in Asia. During the colonial period there were substantial flows of contract workers within most countries of the region as well as between colonies (e.g. Hugo and Singhanetra-Renard, 1988). In the early post-colonial period the volume and importance of such movements, especially those across international boundaries, became substantially reduced. Since the mid 1970s, however, the situation has reversed again to the extent that international contract labour (ICL) has become one of the most important forms of labour circulation in South and Southeast Asia. For example, official statistics indicate that the number of contract labourers from the Philippines working overseas or for international shipping lines increased from 33,214 in 1974 to 434,207 in 1983 (Arnold and Shah, 1986, 20). In the past decade the total number of contract labourers leaving the Philippines has exceeded two million. As Vokey wrote in 1980 (26):

> "Whether they build pipelines under the Saudi Arabian sun, nurse Bedouin in Libyan hospitals, balance a Nigerian hotel's books or sing disco tunes in Tokyo nightclubs, the 250,000-400,000 Filipino contract workers now toiling on ships and in 103 foreign nations are the stars of one of martial law's more intriguing socio-economic stories."

Several factors have contributed to the proliferation of overseas labour movements in Asian countries. The growing internationalization of capital, the great improvements in the ease and cost of international travel, the activities of multi-national corporations are all of significance. However, the key triggering event was undoubtedly the enormous transfers of capital to the Middle Eastern oil exporting countries generated by the post-1973 OPEC oil price boom. Such oil revenues allowed those countries to embark on large scale infrastructure and industrial development programmes which in turn generated a demand for labour which could not be filled locally. Initially workers were recruited in nearby non oil-producing Arab countries such as Egypt, but the scope of demand was such that by the second half of the 1970s Asia became the main source of contract labour in the Middle East. Since then labour migration from Asia has grown exponentially and, with ever-greater numbers of countries involved (as both labour exporters and importers), has become increasingly complex.

The response of Asian governments to the demand for temporary labour overseas has varied both in its nature and timing. Several governments were quick to respond, welcoming the opportunity to send contract workers to the Middle East when the labour market first opened for them in the mid-1970s. Some saw it as a temporary means to solve local problems of unemployment and balance of payments deficits. Others were hesitant and slow to make changes in legislation or administrative structures to deal with this form of movement. Thailand, for example, attempted to respond by amending its 1968 Employment and Job Seekers

Act which was initially created to deal with domestic labour problems. It was not until 1983 that an Overseas Employment Administration Office was established and a new Employment and Job Seekers Act, including a special section on foreign labour recruitment procedures, was finally launched in 1985. Moreover, while administrative and legislative arrangements have been set up by several labour exporting countries to promote and regulate labour flows (Juridico and Marius, 1987, Vol. II), most governments have no clear policies on how to deal with the consequences of such flows. This situation betrays a serious lack of knowledge concerning processes and problems in international labour migrations, knowledge which should be the basis for policy-making and programme planning.

Research and data collection efforts relating to Asian international contract labour were in fact also slow to start and are still limited. For example when the East-West Center Population Institute organized a Conference on Asian Labour Migration to the Middle East in September 1983 an annotated bibliography distributed to conferees could only list nine references which dealt directly with Southeast Asia and the oldest entry was from 1979 (Arnold and Shah, 1986). Most research that has been conducted on Asian workers has tended to focus upon two main areas - establishing the stocks and flows of the workers and their characteristics and the remittances of foreign exchange to the home country. The former interest arose largely out of the inconsistencies and weaknesses of international migration statistics and the latter out of the concern of governments regarding balance of payments. Most studies were conducted under the auspices of governments or international organizations. A growing issue which has attracted some research is the analysis of economic costs and benefits of exporting labour. While such research has provided information at the macro-level, attempts to provide complementary in-depth, micro-level analyses of the processes and problems of international contract labour have been rare indeed.

By the mid-1980s it was apparent that such labour problems were becoming increasingly complex and critical. This was, at least in part, a result of the growing diversification in both the labour markets for Asian workers (Middle East, Southeast and East Asia, United States, Europe, the Pacific) and the types of workers recruited (in terms of skills, gender, marital status, etc.). For this reason the impact of international labour migration is currently wider and more diversified than during the 1970s and early 1980s. For example, it is now apparent that such migrations affect not only the workers and their immediate families but also social relations in their home communities. There is growing concern about the widening social and economic gap within and between communities created by migration. New businesses, financial elites and networks have developed both locally and internationally as a result of the new patterns of international contract labour migration. In some cases growing disparities and new social groupings have provoked social conflict in labour exporting communities. At another level, foreign trade, bilateral agreements and international relations between sending and receiving countries have been influenced by the migration. With internationalization of the labour pool and the pull of market forces, Asian governments are now facing the difficult task of maximizing the long-term benefits of these labour flows while at the same time safeguarding the well-being of their workers. So far, policy formation is this area is seriously constrained by the lack of information on the social costs and benefits of current programmes and patterns.

THE CHIANGMAI WORKSHOP

Between 1982 and 1987 the International Development Research Centre of Canada (IDRC) supported research on international labour migration in several Asian countries, namely Bangladesh, Indonesia, Philippines, Sri Lanka and Thailand. The studies emphasized different aspects of migration processes and consequences, and used a variety of methodologies ranging from participant observation for assessing changes and problems in households, to interviews of workers before, during, and after migration, to national statistical analysis to observe macro-level changes in transfers of manpower and remittances. Moreover, the researchers brought to bear a wide range of disciplines (anthropology, sociology, geography and economics) and points of view -- viewing international labour circulation as not only an individual problem but one with familial, community, national and international ramifications.

The projects were undertaken at different times during the 1980s but were all completed by 1987. At this point it became apparent to both researchers and IDRC program officers that an effort should be made to compare and synthesize the results of the various studies. Thus, the idea of a regional workshop was born, a workshop which would allow researchers to share with each other and relevant policy-makers their experiences, findings, insights and policy recommendations. Such an exchange would not only provide a broader perspective on the problems related to international labour migrations in Asia but would also help to fill the knowledge gaps that have prevented the formation of solid policy guidelines in the past.

The Workshop was organized by the Faculty of Social Sciences, Chiangmai University and held during November 16-20, 1987 with funding and programme development support from IDRC. Participants included principal investigators associated with the IDRC-supported research projects in the five countries mentioned above, prominent labour and migration policy-makers from the same countries, and consultants from international organizations (ILO, IDRC) and universities in Thailand, the United States and Australia. The conference lasted five days, and included a field visit to a labour exporting region in Northern Thailand. An important feature of the conference was continuous dialogue between the researchers and the policy-makers.

A volume of the complete proceedings from the workshop was prepared (IDRC, 1987) which documents in full the papers presented, discussants' comments and points raised in discussion. The present volume represents a distillation of the major issues raised and discussed at the workshop and a summary of related conclusions and policy recommendations. The authors would like to express their appreciation to IDRC for funding both the workshop and the preparation of this volume. We especially appreciated the enthusiastic, supportive and insightful inputs of Dr Dean Nielsen from the IDRC Regional Office in Singapore, as well as the friendly and professional organizational skill of his assistant Ms Penny Lee. We also acknowledge gratefully the assistance of the Rector of the Chiangmai

University (Dr. Avudh Srisukri) and the staff of the Department of Geography, Faculty of Social Sciences, Chiangmai University, for their support and assistance in the successful running of the workshop. To the Department of Geography, University of Hawaii and Discipline of Geography, School of Social Sciences, Flinders University of South Australia, where this volume was prepared we also give our sincere thanks, especially to Mrs Jean Lange and Ms Lori Anderson who typed the drafts and Mr Andrew Little and Ms Debbie Faulkner, who prepared the maps and diagrams. Finally, and most of all, we would like to express our appreciation to our fellow participants at the Chiangmai workshop, who made it one of the most stimulating and enjoyable meetings that we have been associated with. We hope that we have been able to faithfully capture here the constructive insights and recommendations which emerged during the course of the workshop.

Anchalee Singhanetra-Renard
Graeme Hugo
April, 1990

CHAPTER 1

CONTEMPORARY INTERNATIONAL LABOUR MIGRATION IN ASIA: THE BACKGROUND

1.1 INTRODUCTION

For the quarter century following World War II international labour migration was of very limited significance in most Asian countries. Although there were exceptions, such as the involvement of Filipino, South Korean and Thai workers in Vietnam during the late 60s and early 70s, the substantial international redistributions of labour which characterized the colonial period largely ceased as the countries gained, then consolidated, their independence. This situation was transformed by the Arab oil embargo of 1973, the subsequent rapid increase in the price of crude oil, and the associated burgeoning investments in major projects designed to accelerate economic and social development in the important oil producing countries of the Middle East (Bahrain, Iraq, Kuwait, Libya, Oman, Quatar, Saudi Arabia and the United Arab Emirates). This created a huge demand for workers which could not be met by the small local populations, and after a short period in which this shortfall was met mainly from neighbouring, labour surplus, non-oil producing countries, the proportion from Asia gradually increased until by the early 1980s it represented half of the expatriate workers in the region. In the fifteen years since the beginning of the oil boom this migration has gone through a number of distinct phases with respect to:

* the mix of Asian countries supplying labour;
* the type of workers needed;
* the conditions under which they are employed in the Middle East;
* the extent to which non-Middle East countries have become significant destinations of international labour migrants from Asia.

It is estimated that in 1981 there were 2.5 million Asian migrants employed in the Middle East (not counting any accompanying dependents) and that in each subsequent year about another "one million Asian workers have left to seek their fortunes in the Middle East" (Arnold and Shah, 1986, 3). In 1983 there were an estimated 3.6 million Asian migrants employed in the Middle East (ESCAP, 1986, 13). In addition, in recent years Asian labourers have chosen to migrate to countries other than those in the Middle East, especially the "newly industrialized countries" of Asia itself. For example, it is reported that "more than 100,000 foreigners now hold short term work visas in Singapore, [and] an estimated 50,000 workers have slipped into Taiwan on tourist visas. In Hong Kong there are nearly 35,000 Filipinos holding down jobs as domestic helpers" (Hewitt and Bogert, 1988, 132).

One of the major difficulties encountered in the study of Asian international labour migration is the limited availability and poor quality of data relating to the phenomenon. This applies to both the labour migrant's country of origin and destination. These difficulties arise because:

* much of the movement is illegal and doesn't enter official statistics;

* where migrant labourers do go through official channels to enter or leave a country they may not identify themselves as contract workers to avoid additional costs;

* much movement takes place outside of the auspices of government or officially licensed agents;

* countries of destination are often reluctant to make data available to expose their dependence upon outside labour or open themselves up to charges of exploitation;

* the circulatory nature of the migration makes it difficult to estimate the stock of migrants out of the country at any point in time and the number of return migrations. There are thus major problems in measuring the stocks and flows of migrants from individual countries.

Nevertheless, in recent years there have been several useful reviews of Asian contract labour migration (especially that flowing to the Middle East) which have drawn together the available data. These include especially the works of Birks and Sinclair (1979 and 1980), Smart (1986), Stahl (1986), United Nations (1984) and ESCAP (1987), which relate to the trends in the 1970s, and Arnold and Shah's (1986) collection of papers focusing upon the late 1970s and early 1980s. More recent reviews are found in Appleyard (1988), Gunatilleke (1986), Juridico and Marius (1987) and ILO (1988).

1.2 CHANGING ORIGINS OF ASIAN LABOUR MIGRANTS

The changing patterns of outflow of labour migrants from the major Asian sending countries are evident in Figure 1 which superimposes the outflow for 1986 over that of 1976. In most countries the 1986 flow is several times larger than that of a decade earlier. Only Pakistan and Korea experienced small increases in the annual outflow. Figure 1 does not indicate, however, the stock of migrants away in 1986, only those who departed legally during that year. The pattern must be interpreted as an underestimate of the total impact of international labour migration on Asian countries in the mid 1980s because:

* The stock of actual legal overseas labour migrants is much greater because of migrants who left before 1986 and were still overseas in 1986 and those who were there during part of 1986 but then returned home.

* The significant flows of illegal overseas contract workers. These comprise persons who travel overseas on other than contract work permits/visas as well as others who do not pass through official channels at all in leaving their home country and/or arriving at

the destination. There is every indication that both of these types of migration have significantly increased in recent years. As more restrictions are imposed by the sending countries the incentive is increased for prospective workers to leave on tourist or pilgrimage visas and arrange for work after arrival. Illegal migration completely outside official channels is also significant. For example, the number of such workers from Indonesia and Malaysia is estimated to be around 600,000, many times the number of official overseas contract workers (OCWs) going to all destinations (mainly the Middle East).

Nevertheless, the pattern depicted in Figure 1 does give a good indication of developments in international labour migration in the Asian region over the last decade, especially of the movement to the Middle East. The following patterns are particularly in evidence:

* Increasing proportions of workers from the Philippines. In 1976 it was the third largest supplier of contract labour in the region, but by 1986 it had become the primary source of new contract workers.

* The two major suppliers in 1976, South Korea and Pakistan, had the smallest proportionate increase in 1986.

* India, Bangladesh, Thailand and Indonesia had small but significant flows in 1976 but these had increased manifold by 1986.

* Sri Lanka had no overseas contract worker flows in 1976 but had very significant flows by 1986.

Figure 1 is confined to the countries which are the major senders of overseas contract workers in 1986. However, even some of the socialist countries in the region are now sending labour migrants overseas. Some examples:

* China has set up five agencies in Hong Kong offering cheap labour to firms in the Asia-Pacific region including Japan, Taiwan and the Middle East (Anon., 1988a). In 1988 there were an estimated 40,000 Chinese workers temporarily overseas (Anon., 1988d).

* To help redress unemployment problems associated with an annual population growth rate of 3 percent, Mongolia had plans to send workers to the Soviet Union in 1989 (Sanders, 1988, 42).

* Vietnam is already sending workers to the Soviet Union in partial payment of debts incurred during the War. Currently around 60,000 Vietnamese are working in the Soviet Union and Eastern Europe (Abella, 1987).

The important point here is that the number of Asian countries involved in sending significant numbers of labour migrants overseas has increased substantially over the last decade and the numbers within those countries seeking to participate in the movement have also expanded exponentially. As The Economist recently put it.... "Asia has become the largest market for migrant labour the world has ever seen" (Anon., 1988d). For the reasons outlined earlier

it is very difficult to estimate the stock of migrants currently abroad but most estimates are between 4 and 5 million (Anon., 1988d). When the illegal movement and the stocks of return migrants are considered together with the families which migrants left behind it is clear that tens of millions of Asians have been directly affected by international labour migration over the last decade. Hence we are dealing with a not insignificant social and economic phenomenon with serious consequences, both positive and negative, throughout the entire Asian region.

1.3 CHANGING DESTINATIONS OF ASIAN LABOUR MIGRANTS

As was indicated earlier the expanding Middle East labour market was the major magnet to overseas Asian workers in the 1970s and early 1980s. Stock estimates of migrant workers in the Middle East from the eight major Asian sending countries for the early 1980s are presented in Table 1. These data indicate that there were over 3.5 million workers from these countries in the Middle East in that period. Pakistan accounts for fully a third of these workers and India and the Philippines each more than a fifth. By 1985 Asian workers made up two thirds of foreign workers in the region with South Asians accounting for 43 percent and East and Southeast Asians one fifth (Anon., 1988d). It is possible to recognize a series of waves or vintages of migrations to the Middle East as follows:

* From the 1950s - Palestinians;
* Early 1970s - other Arab groups (especially Jordanians and Egyptians) from non-oil producing, labour surplus countries;
* Mid-Late 1970s - South Asians;
* Late 1970s-Early 1980s - Southeast and East Asians. In 1975 Arabs comprised two thirds of foreign workers but this had been reduced to one third in 1985 (Anon., 1988d).

The impact of labour migration in the Middle East has been enormous. The main destination nations (Bahrain, Iraq, Kuwait, Oman, Quatar, Saudi Arabia and United Arab Emirates) had a population of 7.6 million in the mid 1950s (Ali, 1986, 675) but in the subsequent three decades this has more than quadrupled to 37.6 million (Population Reference Bureau, 1988). International labour migrants have been a significant element in this growth as Figure 2 shows. This indicates the growth in the number of foreigners in the labour force in each of these nations in 1970 and 1985. The pattern is clearly dominated by Saudi Arabia which had 1.68 of the over 3 million foreign workers in the seven nations (55 percent). Moreover, it is apparent that Saudi Arabia not only had the largest numbers of foreign workers during that period but also the highest annual increase of such workers. Table 2 shows that the number of foreign workers in Saudi Arabia quintupled between 1970 and 1975 and doubled again in the next 5 years to reach 1.5 million. The second largest recipient, the UAE, followed a similar trajectory as did Kuwait, Oman and Bahrain. Iraq and Qatar experienced most of their growth in the 1975-80 period. Overall between 1970 and 1980 the total number of overseas workers in these seven nations increased by almost a factor of 10 and, largely as a consequence, the total labour force more than doubled.

Although the 1985 figures of overseas workers in Table 2 are certainly underestimates (the ILO [1988, 6] puts the 1985 non-national workforce in the six nations, excluding Iraq at 5.1 million in 1985) the table is indicative of the impact of labour migration in the Gulf nations. Table 2 also shows that non-national workers increased their share of the workforce in the seven nations from 13 percent in 1970 to 43 percent in 1980. In 1980 they constituted a majority of workers in all but two of those nations. The UAE is perhaps the most extreme example as Ali (1986, 675) points out... "the percentage of nationals in the UAE declined from 36 percent in 1975 to 17 percent in 1985. This share is expected to drop to 9 percent in 1990 and to 2.5 percent in 2000..." In 1983, the Indian population in the UAE reached 300,000 which accounts for one and a half times the number of nationals.

The data referred to above is for all non-national workers in the Gulf nations. Asian workers in 1985 accounted for 3.2 million of the 5.1 million workers in the six nations (minus Iraq), 43 percent coming from South Asia and 20 percent from Southeast Asia. Table 3 indicates the rapidity with which Asia has replaced other Arab nations as the main source of workers. Indeed there are substantially more Indians and Pakistanis (in excess of 2 million) among foreign workers in the mid 1980s than there are Arabs. It is noticeable in Table 3 that Asians are especially dominant in the foreign workforces of Oman, Bahrain, UAE and Qatar. While the proportion of Asians in Saudi Arabia is lower, it has increased substantially since 1980 (Anon., 1988e) and since this country is the major recipient, the numbers involved are substantial. For example the number of Filipino workers in the Middle East increased from 7,813 in 1976 to 323,000 in 1983 and over 70 percent of them work in Saudi Arabia (Jalyl al-Dean, 1985).

Saudi Arabia is central in any consideration of Asian labour migration to the Gulf, especially since it appears that the data presented in Table 2 severely underestimate the number of foreign workers in the Kingdom. A mid-1988 survey of embassies in Jeddah established that there were 3.9 million expatriates in Saudi Arabia at that time. Table 4 compares trends for some of the major groups between 1985 and 1988. This shows significant declines in the stocks of Arab, Pakistani, U.S., British and especially South Korean workers, but increases in those from India, Bangladesh, Philippines, Thailand and Turkey.

The dominance of the Middle East as a destination for Asian migrants is clearly evident in Table 5 which indicates that in the South Asian countries and Thailand almost all labour migrants during the last decade have gone to the Middle East. This was also the case with the great majority from the Philippines (80.5 percent), Indonesia (77 percent) and South Korea (72.8 percent). However, it is clear that this pattern of overwhelming predominance of the Middle East as a destination is changing.

Part of this change is due to changes in the Middle Eastern nations themselves. The precipitous decline of oil prices in the mid 1980s has seen a reduction in government revenues and investment (Ali, 1986, 677) and the delay, postponement and abandonment of many construction and infrastructure projects in the Gulf states (Cremer, 1987, 9). The impact of this upon labour migration from Asia is not clear. It is reported that when the wages of foreign workers in the Gulf nations were cut by 20 to 25 percent in 1984 some 700,000 migrant workers

returned home (Anon., 1988d). Table 2 shows that between 1980 and 1985 there were declines in the number of non-national workers in Kuwait, Oman and Iraq. In the latter case the Iran-Iraq war has obviously been influential but in the others it is clear that the lowering of oil export income has been a major factor. Moreover, the reductions in growth rates of foreign workers in the other nations between 1980 and 1985 compared to the previous five years suggest that there has at least been a levelling off of the labour migration to the region. This is also suggested by the data for Saudi Arabia, the pre-eminent destination country, presented in Table 4. It is certain that, as was mentioned earlier, one effect of the economic downturn induced by oil price reductions has been a lowering of the wages for many expatriate workers in the Gulf nations. For example, one survey in Saudi Arabia in 1988 found that monthly salaries for some categories of foreign workers had fallen by up to 50 percent compared to 1985 (Anon., 1988f) and only the pay of bank executives and computer analysts had risen over the period.

Hence the economic downturn has had the following effects of Asian labour migration:

* reduced the overall demand for labour in some contexts;

* reduced wages in the Middle East in many categories of worker so that workers from higher wage countries may be being replaced by those from lower wage countries;

* the uneasiness in some Gulf nations that such a large percentage of their population and workforce is made up of foreigners.

Hence several nations (e.g. Saudi Arabia, Kuwait) have, as part of their national development plans, proposals and targets for reductions in their immigrant workforce. Qatar has a programme to "Arabize" its public sector (Anon., 1985e). Restrictions on the entry of foreign labour are getting more severe and are monitored in more sophisticated, computerized ways in several nations.

The changed economic situation in the Middle East is already having some impact in the sending countries, for example:

* In the Indian state of Kerala the numbers of workers going abroad fell from 120,000 new clearances in 1984 to 100,000 in 1985 to 62,000 in 1986 and 1987 and the indications are of a further reduction in 1988 (Ali, 1988). Moreover conditions and wages have worsened for those who have gone to the Middle East. As a result the economy in Kerala has deteriorated with unemployment increasing, land prices falling, etc. (Ali, 1988).

* In Pakistan (as shown in Table 6) the number of temporary workers leaving the country has declined rapidly since the first impact of the fall in oil prices in 1982 and by 1986 the flow was less than half the size of that in 1983. Indeed, since 1985 the number of returning workers whose contract has been completed has been exceeding the number of workers leaving and this has exacerbated the under- and unemployment rate in the country which in 1988 stood at 12.08%, or 5 million persons (Anon., 1988g).

* In the Philippines, too, it is suggested that the backflow of returnees is currently outnumbering the number of persons going abroad on labour contracts.

At the very least there is some concern that there is a levelling off of job opportunities for Asian workers in the Middle East. Moreover, this is occurring at a time of greatly increased pressure in Asian countries for temporary overseas employment (see section 1.2). Partly as a result of this in recent years there has been diversification of the destinations chosen by Asian overseas contract workers. In particular several of the rapidly developing countries of the Asian region now offer some scope and potential for overseas contract labour from labour-surplus countries. The Asian region contains some of the world's fastest growing and most dynamic national economies. Moreover several of the "newly industrialized countries" (NICs) have experienced rapid fertility declines over the last two decades so that the current generation of school leavers is less numerous than the previous generation. Hence, Table 7 shows Hong Kong, Singapore, Taiwan and Japan all with high GNP per capita levels and rates of economic growth but levels of population and labour force growth which are more characteristic of "developed" than "developing" countries. Malaysia and Brunei have more rapid rates of population growth but they also have had very rapidly expanding economies. The contrast of the profiles of these countries with those of the labour exporting countries considered in the previous section is readily apparent in Table 7.

There are signs in each of the countries designated as "labour importing" in Table 7 of growing labour shortages, especially in particular sectors of their economies. Moreover there is evidence also of growing involvement of labour from the "labour exporting" countries of Asia. However, since much of this movement is clandestine or illegal, comprehensive data relating to it are not available. Figure 3 shows estimates of the approximate numbers of foreign workers in the "labour importing" countries in mid-1988. They should be regarded as very rough indications as the data on which they are based are very limited. We will deal with each of these nations separately below because intra-Asian labour movement is almost certain to gain in significance over the next decade. The rapidly developing NICs will almost certainly be of central importance. In particular, the "Four Tigers" or "Four Dragons" of Asia - Singapore, Hong Kong, Taiwan and South Korea - will be prominent. The first three already are receiving an unknown but significant inflow which could be the precursor of larger movements in the future. South Korea, on the other hand, as Figure 1 shows, has been a major exporter of labour over the last two decades. However, the diagram also shows that there was only a small increase in the number of South Koreans going overseas in 1986 compared to 1976 and Table 5 indicates that there was a dramatic decline in the number of South Korean workers in Saudi Arabia between 1983 and 1986. South Korea was the pioneer of postwar Asian international labour migration, sending nurses and coal miners to West Germany in the 1960s and then construction and other workers to South Vietnam during the American involvement in the Indo-Chinese war. However, the greatly improved labour market situation at home and the deteriorating situation in the Middle East has greatly reduced the incentive for South Koreans to seek work under contract overseas (Anon., 1988d). It is not out of the question that South Korea could make the transition from the bottom panel of Table 7 to the top panel over the next decade. The other countries in the top panel are all showing signs of receiving increasing numbers of labour migrants.

Japan. As the leading economy of the Asian region and a rapidly aging population which will see its labour force grow at less than half of one percent per annum over remaining years of this century, Japan at first glance would appear an obvious candidate for receiving labour migrants. However, the Japanese government has very strict immigration regulations preventing such as eventuality, and instead has adopted a strategy of large scale offshore investment in other labour-surplus, Asian countries and automation of in-country production. Nevertheless, it is estimated that around 100,000 illegal immigrants mainly from the Philippines, Thailand, China, Malaysia, Pakistan and Bangladesh are currently working in Japan after overstaying tourist visas (Anon., 1988b). Indeed some reports (Anon., 1988h) suggest that there could be as many as 100,000 Filipinos in Japan. The illegal migrants are often exploited, being paid wages less than half those of Japanese workers, working long hours at menial jobs, living in groups in cramped, tiny rooms in constant fear of detection and deportation. Yet optimism, hope and ingenuity abounds as it does among most such workers... "Amel, a graduate from a Bangladeshi University, dreams that one day, instead of cleaning toilets he will be a rich businessman speaking fluent Japanese" (Anon., 1988b). A recent three week crackdown on illegal aliens saw 1,870 detained, three quarters of them in and around Tokyo and most were Bangladeshis and Pakistanis working as manual labourers in factories and on construction sites (Anon., 1988i). In 1986 some 8,131 foreigners were caught working without proper visas, an increase of 44.4 percent over 1985. The origin of those detected gives some indication of where the illegal flows are emanating from. The main origins were the Philippines (6,297), Thailand (990) and China (356). Interestingly, some 70 percent were women who mainly worked as entertainers while the bulk of men worked as manual labourers (Anon., 1987a).

There are some small signs that the stringent attitude against use of foreign labour in Japan are breaking down, for example:

* In 1988 the Japanese government revoked an ordinance which prohibited the Japanese shipping industry from hiring low-paid foreign crew on vessels that sail under the national flag. It is estimated that 70 percent of the 17,000 seamen aboard Japanese ships are from Southeast Asia or South Korea and this proportion seems likely to increase. Prior to the lifting of the ban, the number of Japanese flagged ships declined from 814 in 1983 to 324 in 1987 as Japanese shipowners registered their vessels in other countries in order to be able to legally hire cheaper foreign crews (Hazelhurst, 1988).

* The Japanese Labour Ministry as part of its new long- term employment plan which it submitted to cabinet in mid-1988 recommended that approval be given for the entry of "as many specialized and skilled foreign workers as possible in Japan in response to growing demands from Asian countries for accepting foreign labour" (Anon., 1988k).

Despite these signs, however, there would seem to be little chance that Japan will open its doors widely to contract labour from the labour surplus countries of the Asian region.

Hong Kong. Hong Kong is currently experiencing acute labour shortages not only in the manufacturing sector but also in the white collar areas as well, partly due to the growing number of local professionals and entrepreneurs choosing to emigrate to Canada, the United States and Australia in light of the impending return of Hong Kong to China in 1997. A recent survey found that 160,000 additional workers were needed (Anon., 1988a) while 100,000 are needed for the construction and textile industries to operate at full capacity (Hewitt and Bogert, 1988, 132). In April 1988 the unemployment rate was only 1.47 percent. Pressure from companies is growing on the government to allow more unskilled workers into the colony, but while the government accepts that labour shortages are having adverse effects they have not relaxed restrictions on importing labour. Indeed union determination to keep out unskilled foreign labour recently forced the government to impose a ban on South Korean construction workers building a new tunnel (Anon., 1988a). The only legal unskilled workers are an estimated 35,000 domestic helpers permitted entry under a special bilateral arrangement with the Philippines (although there are also some from Sri Lanka and Thailand). There is some illegal movement of unskilled workers from nearby China but they are usually detected by the authorities and in 1987 some 27,000 were repatriated (Hewitt and Bogert, 1988, 132). Ironically several Chinese job agencies have set up in Hong Kong and have placed workers elsewhere in the Asian region including Guam, Japan and on Hong Kong flagged shipping (Anon., 1988a).

Brunei, as can be seen from Table 7 is a small but wealthy country. The latter is due to its substantial oil resources, although in recent years investment income earned by earlier oil revenues has been larger than oil-export earnings (Anon., 1988c). Of the country's 81,000 workers one third are foreign nationals and by 1990 the current five year plan projects the total labour force will be more than 100,000 workers with 38,000 being made up of foreigners. Although a relatively small labour market, Brunei will continue to require a substantial overseas-based workforce, especially since the outlook is for sustained economic growth (Anon., 1988c). Godfrey (1987, 11) has pointed out that the reliance on foreigners is particularly heavy in certain sectors of the economy - transport and communication, production and related workers, equipment operators, construction, engineering and motor mechanics. The 1981 Brunei census indicated that half of the workers came from nearby Sarawak. However, since then workers from elsewhere (especially Indonesia and Thailand) have assumed greater significance.

Sarawak, adjoining Brunei, is a state of Malaysia with a population at the 1980 census of 1.3 million. At the census there were reported to be only 5,400 foreign workers in the State, representing only around 1 percent of the workforce. However, it seems that there is also some illegal movement into Sarawak from adjoining Indonesia. Both Colfer (1985) and Dove (1979) report such movement from their East Kalimantan and West Kalimantan study communities respectively. On the other hand, as was mentioned above, there

is also labour movement from Sarawak into the higher wage country of Brunei. Sarawak, however, is a large (124,450 km^2) under-developed state with considerable potential. As Godfrey (1987, 13) points out..."Sarawak is poised to move along the path already trodden by Brunei and Sabah, as yet potentially rather than actually reliant on immigrant workers." In particular, plans are being considered for a major expansion of the estate sector that employed only 6,500 persons in 1984 (Godfrey, 1987, 14). However, Godfrey (1987, 14) has suggested that..."There is a possibility that such employment might be tripled by 1994 and might exceed 37,000 by the end of the century. If such expansion occurred it would have to be based very largely on immigrant labour (probably mainly from Indonesia). This would not raised the state's dependence on foreign workers to Brunei/Sabah proportions but it might mean an increase in the percentage of the working population from 1 to 5 percent by the year 2000."

Sabah is heavily reliant upon immigrant labour and at the 1980 census there were 87,000 foreign workers enumerated in the State. This, however, was a severe underestimate because of the large number of illegal migrant workers, especially from Indonesia and the Philippines. Moreover, since then the numbers have escalated. In 1984 the Indonesian Minister of Labour (Sudomo) estimated that there were 130,000 Indonesia workers in East Malaysia (Habir, 1984, 168). Official estimates of the number of such workers leaving Pare-Pare in Sulawesi for Sabah each week are around 2,000 - 2,500 (Habir, 1984, 168). In the early 1980s the Indonesian consulate in Kota Kinabalu had 96,000 Indonesians registered locally. In 1988 Sabah officials reported that there were 250,000 Filipinos and Indonesians in the State with the bulk, except for 75,000 Filipino refugees, being illegals (Lee, 1988, 12). The official current Indonesian Manpower Ministry estimate is of 145,000 Indonesians being in Sabah and 84,000 voted in the 1987 Indonesian election at one of the Indonesian consulates in Sabah (Lee, 1988, 12). At the 1980 census non-Malaysians made up 29 percent of plantation workers in Sabah and 41 percent of bricklayers, carpenters and other building workers. The former were predominantly Indonesian and the latter Filipinos. Godfrey (1987, 12-13) demonstrates from Department of Statistics surveys how reliance upon non-Malaysian workers has increased since the early 1970s: "agricultural branches and sectors show an increase in the proportion of non-Malaysian workers from 26 percent to 50 percent between 1972 and 1981. Eighty-three percent of all workers and 87 percent of manual workers in rubber, oil palm, coconut and cocoa estates in 1981 were non-Malaysian (mainly Indonesian)...Reliance on non-Sabahan workers is virtually complete in the case of field workers, weeders and harvesters. The surveys also show that 12,000 non-Malaysians were employed by construction firms at the end of 1981, 41 percent of the total number of employees. 55 percent of Indonesian workers in Sabah in 1980 had no schooling; 92 percent had primary schooling or less, underlining the unskilled nature of these immigrant workers." The bulk of Indonesian illegal immigrants come from Flores (in East Nusa Tenggara province) and South Sulawesi. An irony is that in mid 1988 it was estimated that there were 48,000 unemployed Sabahans, most of them recent school leavers. There is very little migration from other parts of Malaysia to fill the labour shortages in Sabah (Hugo, 1988). Until recently the Sabah government has adopted a tolerant attitude

toward foreign workers, including illegals. However, in mid-1988 a change in this policy occurred with the Chief Minister announcing a six month amnesty for illegal immigrants to leave Sabah and return with correct documentation. This has been prompted by rising Sabahan underemployment but also many social problems are blamed on the immigrants. A recent report blamed "foreigners" for 65 percent of crime, most prostitution and the spread of malaria and sexual diseases (Lee, 1988, 12). There has been new legislation to make it mandatory for employees to obtain licenses from the State to hire immigrants on two year contracts. The aim has been expressed thus by the Chief Minister, "Ultimately the State will have to formulate a strategy to increase employment for locals and reduce the number of foreign workers" (Lee, 1988, 12). The fact remains however that immigrants are largely taking up jobs in the agricultural sector and other parts of the economy where locals are not interested in participation because of the "dirty" nature of the work, low wages or both. Despite these legislative moves it seems unlikely that Sabah's dependence on foreign labour will decrease. Indeed further economic growth is likely to expand that demand.

Peninsular Malaysia. While there is a significant flow of workers from Peninsular Malaysia to Singapore there is a much larger flow in the opposite direction originating from Thailand, the Philippines and especially Indonesia. As in the case in Sabah the bulk of these workers are employed in the agricultural sector partly because of the growing reluctance of Malaysians to work in primary industry. There has long been a seasonal movement of Thai workers to participate in the harvest in the northern states. In 1987 it was reported that in the tiny northern state of Perlis some 10,000 Thais were employed and sending back 5.1 million baht each month to Thailand (Anon., 1987b). There are also reportedly some 10,000 Filipino women working as domestics in Kuala Lumpur. The bulk of overseas-born workers, however, are from Indonesia, most of them being illegal migrants. The 1980 Malaysian census recorded an increase of only 1,800 in the number of Indonesians on the Peninsula between 1970 and 1980, to give them a total population of less than 15,000 (Lim, 1982, 3). However, the official census report (Malaysia, Department of Statistics, 1983, 60-61) admits that this is a severe under-enumeration because of the illegal status of the bulk of the Indonesians living in West Malaysia. However, estimates of the real Indonesian population around the years 1981-1984 range widely. The more conservative indicate a population of between 200,000 and 300,000 (Habir, 1984, 168) while the other end of the range are as high as 700,000 (New Straits Times, 29 December 1981). Lim (1982, 3) says that in the state of Johore alone it is estimated that there are 100,000 Indonesian workers which would equate to a twelfth of Johore's population. Although the bulk of the flow from Indonesia to Malaysia is illegal, Table 8 shows that legal movement has increase significantly in recent years. Although most Indonesians work in the non-urban agricultural and construction sectors they have a growing presence in urban areas. For example the Chow-Kit area of Kuala Lumpur is now a major area of concentration of Indonesians (Nasution et. al., 1987, 12). While there is a history of tacit acceptance of this movement there is growing pressure for the government to take action against illegal immigrants from Indonesia. This arises from:

* A high level of local unemployment which in mid 1988 stood at 8.1 percent despite a substantial recovery in the economy after the depression of the mid 1980s (Seaward, 1988c);

* Widespread blaming of social ills such as crime, prostitution and disease on the illegal immigrants (Nasution et. al., 1987);

* Pressure from unions who fear the migration is undermining conditions and opportunities for their members;

* Pressure from opposition political parties who charge that government acceptance of the immigration arises out of a concern to shift the Malaysian ethnic balance more in favour of bumiputra (sons of the soil). The Indonesian immigrants are from the same ethnic background as the majority Malay population.

On the other hand there are pressures to maintain the immigration, for example:

* Employers are keen to maintain the flow of cheap, malleable and hardworking Indonesians;

* Some politicians are keen to increase the "Malay" proportion in the total population (Holloway and Aznan, 1987, 42);

* Malaysia has a pro-population growth policy aiming to increase its population from the present 17 million to 70 million by the end of the next century (a target which could not be reached without significant migration gains);.

* The Indonesian government is keen for the movement to be maintained to reduce pressure on its workforce and the Malaysian government would prefer not to antagonize a fellow ASEAN nation (Hugo and Singhanetra-Renard, 1988).

Nevertheless, there are signs that pressure on illegal immigrants in Malaysia is increasing. The numbers deported have increased (Nasution et. al., 1987) and the Immigration Act has been toughened (Aznan, 1988, 36). However with the overall strength of the Malaysian economy, the expansion of the export economy in agriculture and the growing reluctance of Malaysians to work in the primary sector it is unlikely that there will be a reduction in the demand for immigrant workers in Peninsula Malaysia.

* Singapore has a long history of importation of foreign workers dating back to colonial times (Pang and Lim, 1982). Since Independence the demand expanded with the economy until the recession of 1984-86 when in keeping with the "revolving reserve army of labour" concept followed in Singapore large numbers of foreign workers were dismissed (Fong and Cheung, 1988). Subsequently the recovery has seen a return of foreign workers to former levels and Singapore is currently experiencing a very

tight labour market and significant labour shortages. This will almost certainly continue to worsen as the effects of the rapid fertility decline of the late 60s and 70s work their way into the labour force age groups. The number of 15-29 year old Singaporeans will decline 25 percent from 816,000 in 1985 to 619,000 in 2000 (Salem, 1988a). Singaporean enterprises are responding to this not only by importing workers, but also, following the Japanese model, relocating labour intensive activities in countries like Thailand or Malaysia. Indeed there has been a major transfer of such activity across the causeway to Johore Baru on the southern tip of the Malay Peninsula (Salem, 1988b). However foreign labour will continue to be a significant element in Singapore's economy. At the 1980 census in Singapore there were 957,607 Singapore citizens in the workforce but an additional 40,208 non-citizen resident workers, 79,275 non-resident workers and approximately 20,000 Malaysians who commute daily across the causeway from Johore. Hence in total some 13 percent of the Singapore workforce was made up of foreigners. However, this would be a minimal amount since, despite severe sanctions and close surveillance, illegal entry remains significant. Indeed during the current labour shortage the illegal inflow appears to have increased (Anon., 1988l). In the early years of Independence most workers came from Malaysia but in the last decade the numbers from other sources such as Indonesia, Thailand, Philippines, Sri Lanka, India and Bangladesh have increased (Fong and Cheung, 1988, 5) although Malaysians remain the majority. Singapore has a very strict immigration policy relating to foreign workers some elements of which are the following:

* All foreign workers must be registered and severe sanctions are applied to employers who disregard this;.

* Unskilled foreign workers are only allowed to be employed in particular sectors - manufacturing, construction, shipyards, hotels, domestic maids;

* Workers can only be employed on a short term basis;.

* Applications from workers for permanent residence status are generally disallowed, even if they have married a local resident (Fong and Cheung, 1988, 7-8);

* During recession these workers are the first laid off--for example, in the 1984-6 recession some 60,000 were laid off (Fong and Cheung, 1988).

People with particular skills, professionals and entrepreneurs with industrial experience and capital, however, are readily granted employment passes and if they have the "requisite cultural and social traits" are encouraged to apply for permanent residence and citizenship (Fong and Cheung, 1988, 8). However, the government fears becoming overly reliant on foreign labour and seeks to regard them very much as factors of production, an attitude reflected in the following quotation:.

> "Since the end of the early 1970s the Singapore government's policy on foreign labour has evolved into a highly selective one. Unskilled foreign workers employed in manufacturing, shipbuilding and construction industries are allowed to remain in Singapore only on a short term basis, as a revolving pool of labour adjustable for cyclical needs. They are considered necessary for Singapore's development only in the short to medium term and are not viewed as suitable for assimilation" (Fong and Cheung, 1988, 7).

Such is the concern about foreign workers in Singapore that the government in the early 1980s set a deadline for repatriating all foreign workers by 1991. However, under pressure from employees and the manifest labour shortage it abandoned this policy. The Singapore Federation of Chambers of Commerce and Industry estimated that the labour shortage in the city state in mid 1988 was 60,000 (Katigbak, 1988).

* Australia, Canada and the United States all have policies of permanent immigration and do not accept Overseas Contract Workers. The permanent movement from Asia to these nations has increased greatly over recent years. For example, in Australia between 1977-8 and 1987-8 the annual number of settler arrivals from Asia increased from 18,000 to 48,900 (from 23.7 to 34 percent of the total) and in the United States Asians account for nearly half of all legal immigrants. Illegal temporary labour migration does occur to each of these countries despite the official policy which favours permanent over temporary immigration to cope with labour shortages. In the U.S. this is dominated by Mexican and other American-origin groups and Asians are a small proportion of all illegal migrants detected. However, there is some evidence of increasing movement to Australia. In mid-1988 there were an estimated 70,300 persons who had overstayed visitors' visas in Australia. Recent publicity in Australia given to the detection of illegal migrants from Indonesia and some Pacific nations suggests that illegal labour migration from Asia may be increasing.

* Western European countries have had substantial experience of guest workers from Southern Europe, Turkey and North Africa and developed policies and programs to attempt to repatriate such workers. It is clear, however, that an increasing number of Asian labour migrants are finding work in Europe. For example, it is unofficially estimated that there are more than 100,000 Filipino women working as domestic maids in Europe with Italy, Spain and the United Kingdom being the main importers (Anon., 1988h).

1.4 THE CHANGING SUPPLY OF LABOUR IN ASIA

It has been demonstrated above that labour shortages being experienced in countries like Singapore, Hong Kong, Taiwan and Japan are partly a function of the major reductions of fertility of two decades ago, producing deficit cohorts who are now entering the labour force age groups. However, Table 7 shows that in most of the labour exporting countries contemporary rates of growth of the

workforce are greater than those of the total population. Only in Sri Lanka is the annual growth of the labour force less than 2 percent and the outlook for the remaining years of this century is for only South Korea, India and Thailand's labour force growth rate to fall below the 2 percent threshold. The labour forces of Bangladesh, Pakistan, Philippines and Indonesia will continue to grow very rapidly and put great pressure on local labour markets to absorb them. The enormity of the challenge that this presents is evident in Table 9 which shows two sets of projections of Indonesia's labour force up to the end of the century. Even if one does not assume an increasing participation of women there will be 26 million more workers in 2000 than in 1985, but if female participation continues to increase there will be a net gain of nearly 35 million more workers over the last 15 years of the century. Thus, despite significant progress in fertility decline and employment creation in countries like Indonesia over the last decade and a half, the outlook is for a continued, and perhaps increased, surplus of labour within the largest nations in the Asian region. There is every indication that those nations will seek to lessen that pressure as far as possible though encouraging labour migration to other nations.

1.5 CHANGING CHARACTERISTICS OF WORKERS

It has been shown above that there have been some major shifts in the origins and destinations of OCWs from Asia since the beginnings of large scale movements in the early 1970s. There have also been some important changes in the profiles of workers participating in the movement. These changes are partly a function of developments in destination labour markets and partly of increased competition between countries.

One important development has been the increasing participation of women in the movement. Indeed, in countries like Sri Lanka and Indonesia women now far outnumber men among international labour migrants. The most striking element there is the movement of women to seek work as domestic workers, especially in the oil-rich countries of the Middle East., This has become a subject of controversy because of reports of exploitation and ill treatment of maids in the Middle East. Hence, as of mid-1988 the Philippines, Bangladesh, Pakistan and India had taken measures to prevent their women from working as domestic servants in the Gulf countries (Anon., 1988m). The Philippine government has gradually and selectively lifted the ban for 23 countries where it has reached a bilateral agreement concerning conditions of the maids. These countries include Malaysia, Singapore, Brunei, Hong Kong, Britain, France and Belgium. Other nations, especially Indonesia and Sri Lanka, are still sending substantial numbers of housemaids to the Middle East despite controversy at home (e.g. see Hugo and Singhanetra-Renard, 1988). Table 10, for example, shows the growing female dominance in official overseas labour migration from Indonesia over recent years. In spite of the opposition of religious leaders and frequent media reports of abuse of Indonesian housemaids in the Middle East, there are long queues of women lined up outside of the Ministry of Labour agency responsible for processing overseas workers. They are given a special training course concerning language, customs and household skills. The latter involves "hands on" experience in a mock-up of a typical Arab kitchen, bathroom, etc. Demand for such work among Indonesian women still far exceeds the supply of overseas contract positions available.

It is incorrect to stereotype OCWs from Asia as unskilled and filling niches in the labour markets of destination countries that local residents do not wish work in because of the low wages or the menial, dirty nature of the tasks involved. In the Middle East for example, Smart (1986, 7) points out...."While a large number of migrants do perform simple tasks, their presence is counterbalanced by high percentages of workers at semiskilled, skilled, clerical, technical, administrative and professional levels." Indeed one is struck by the enormous diversity in the occupations of OCWs in the Gulf States. Table 11 is a summary of the Labour Market Situation for Asian workers in several Arab countries which was recently prepared by Juridico and Marius (1986). It indicates clearly the fact that OCWs are involved in virtually all sectors of the economy. This extends even to the armed forces. Pakistan in 1988 had an estimated 30,000 troops and military advisors in the Gulf countries, with around half in Saudi Arabia. Haggani (1988, 51) point out that "Military personnel contracts with Saudi Arabia and other Gulf states have been an important source of funding for Pakistan's defence budget. Pakistani troops based in the Guld are known to get four times their normal pay, and Islamabad also receives substantial amounts for providing the forces."

In the initial stages of the movement to the Middle East the bulk of migration was of skilled, semi-skilled and unskilled labour employed in the construction of large scale infrastructural and industrial projects. However, there are strong indications that much of the "construction" phase has passed in the Middle East so that the workers being recruited are more in the service-type industries. The recent ending of the Iran-Iraq war however may lead to a temporary stemming of the decline in demand for unskilled labour. The Pakistani Minister for Labour, Manpower and Overseas Pakistanis (Mir Ahmed Nawaz Bugti) recently expressed the hope that the "war-torn economies of Iran and Iraq will need rehabilitation involving immense construction works. This has opened up new opportunities for the employment of Pakistanis in the two countries which should counterbalance the return of overseas workers from the Middle East, already started in the wake of recession in the building boom there" (Pakistan Times, 10 September 1988). Nevertheless, a move in labour demand toward more service-type occupations is evident. For example, the occupational breakdown of Sri Lankans working in the Middle East is shown in Table 12, and that for workers leaving Pakistan and the Philippines in Table 13, and they reflect this new pattern. Much of the demand for workers in the Middle East is to operate and maintain recently constructed infrastructure and utilities. Also, there is a tendency to recruit middle-level personnel from Asia to replace more highly paid First World workers whose numbers have declined dramatically in recent years. There is some concern in the Middle East that the increasing proportion of Asian workers, who are not employed in the construction of a specific project with a definite completion date, will lead to more Asians attempting to settle down in the Middle East on a long term basis.

It is apparent that Asian countries vary considerably in the skill profile of the migrant workers they send overseas. For example, in Table 13 the greater diversity and generally higher skill profile of workers from the Philippines over those of Pakistan are readily apparent. It is also evident that the skill profile of illegal immigrant workers is generally much lower than those of legal migrant workers. This is the case, for example, in the clandestine migration of Indonesians

into Malaysia. The Indonesian workers overwhelmingly employed in the agricultural and construction sectors in which Malaysian workers (even those unemployed) have shown an increasing reluctance to participate (Clad, 1984).

1.6 REMITTANCES

The raison d'etre of international labour migration from both the perspective of the sending country and the individual workers is the generation of income flows. From the perspective of the sending countries the export of labour like that of commodities will produce foreign exchange earnings which is "a scarce and valuable resource in most developing countries in order to finance essential imports" (Juridico and Marius, 1987, 115). It is impossible to measure the extent of remittances since much of the flow generated does not pass through official channels. Nevertheless, it is clear that remittances are making significant contributions to national income in most of the labour exporting countries and changing the lives of families in the region.

The overwhelming motives of OCWs is to earn higher wages and they are usually successful in this. The ILO (1988, 8) reports that in "the Republic of Korea the foreign to domestic wage ratio was 2.5 in the mid 1970s and has decreased since then to about 2 in 1980. In the Philippines this ratio varies from 5.4 for the services category to 7.9 for ship crew." There is of course enormous variation in the income received with the legality/ illegality of migration, the job obtained, the countries of origin and destination, and the level of skill of the workers. However, Table 14 shows some average monthly earnings of workers in several skill categories from the main Asian sending countries in the mid 1980s. As was pointed out earlier, there have been substantial falls in earnings in the Middle Eastern countries with the drop in oil prices since 1982. The ILO (1988, 9) has estimated that the weakening of labour markets in the Gulf countries has led to a fall of about a third in levels of wages and salaries.

Despite the inadequacy of official data to capture the true level of the flows of remittances it is clear that the flows are significant by any yardstick. "Pakistani workers abroad sent home more than $16 billion in the ten years to the end of 1986. In 1983 Bengalis working abroad sent home $610m, a sum equal to four fifths of Bangladesh's merchandise exports and one quarter of its imports. In the same year Filipino remittances of around $950m equalled 3.5 percent of the Philippines GDP. The figures are conservative since they exclude the flourishing black and informal markets that bypass cumbersome banking procedures" (Anon., 1988d). Table 15 presents official data for the leading labour exporters and demonstrates the scale of remittances in the mid 1980s. Even in a country as huge as India remittances in the mid 1980s are "1.5 percent of gross domestic product, 6 percent of gross domestic saving, 2 percent of private final consumer expenditure and 7 percent of gross domestic fixed capital formation." In Pakistan in 1986-87 the net trade imbalance amounted to $2,294m but this was more than counterbalanced by the inflow of remittances of $2,557m (Ibrahim, 1988). The conservative nature of the statistics presented in Table 15 must be stressed. The Philippines example is instructive here:

> "The officially recorded annual remittances of overseas Filipino workers are put at $700 to $750 million, with Saudi Arabia accounting

for close to half that amount. These numbers, however, grossly understate the actual inflow of remittances into the Philippines. Given the number of Filipino workers overseas, their skill composition and the countries where they are employed, it is just inconceivable that the total amount annually remitted to the Philippines could be less than $2.5 billion. The difference between this figure and the official one, as widely believed is accounted for by the "informal" channels which seem to perform an extremely efficient delivery job. While banks take two to three weeks to remit money, the informal market does it in three to five days. Also, the latter has the amount collected at the worker's doorstep and delivered at his family's doorstep. With exchange rate over-valuation virtually eliminated, it is on the strength of its expeditious door-to-door delivery system that the informal market steals a march over the banking system." (Anon., 1988h)

At the level of the individual and the family and community to whom they remit earnings from overseas the impact is usually greater than at the national level. It is difficult to arrive at an estimate of the average amounts remitted since these vary not only with skill level, wages received, conditions of employment etc., but also with individual priorities. However, ILO (1988, 20) estimates are instructive and indicate that in Bangladesh monthly remittances average $185 while in Sri Lanka they varied from $90 for domestics to $334 for professionals.

There is evidence in some countries of a downturn in remittances in recent years. For example, average annual remittances from Indian migrant workers in the Middle East fell from $1,767 in 1980-81 to $1,324 in 1984-85 (ILO, 1988, 20). The fall in wages and reduced demand for labour are obviously beginning to have an impact on remittance levels and creating considerable concern not only for the individuals and families dependent upon them but also among national economic planners.

There is much debate about the levels and impacts of remittances from OCWs and it is clear that their efforts are by no means all beneficial. However, as Juridico and Marius (1986, 115) have concluded the weight of evidence is that the net effect is emphatically a positive one:

"Foreign exchange generation in the form of remittances sent home as part of workers' earnings abroad is generally regarded as the most important argument in favour of overseas employment. The effects from remittances are twofold: (1) Workers are likely to save a substantial part of their overseas earnings which they might use productively on return, and (2) foreign exchange is regarded a scarce and valuable resource in most developing countries in order to finance essential imports. Although some negative impacts related to the inflow of remittances were observed in some labour-sending countries or regions, namely a tendency for excessive consumption, inflationary pressures due to rising demand for goods in fixed supply, and reintegration problems, in general the opinions expressed by policy-makers and researchers tend to point toward an overall positive contribution of workers' overseas earnings towards the development process in the countries concerned."

1.7 CONCLUSION

In this chapter we have attempted to summarize some of the major recent developments in overseas labour migration from Asian countries. Inevitably in such a brief treatment many many important issues could not be considered. Several of these issues will be taken up in subsequent chapters of this report. Nevertheless, it is apparent that we are dealing here with a very dynamic phenomenon which is in a constant state of change. In the next chapter we will focus on the specific aspects of international labour migration in Asia which were the subject of the country studies commissioned by IDRC.

CHAPTER 2

SUMMARIES OF PAPERS PRESENTED AT THE CHIANGMAI WORKSHOP

2.1 INTRODUCTION

In this chapter we present summaries of the main points raised in the papers based on the IDRC-funded projects in Bangladesh, Indonesia, the Philippines, Sri Lanka and Thailand, which were presented at the Chiangmai workshop. The full text of the papers is available elsewhere (IDRC, 1987). The studies were intended to be small scale intensive studies of particular aspects of the movement of OCWs in the individual researcher's own country which were of particular significance. Hence, whereas the previous chapter presented an overview of recent developments in international temporary labour movements in Asia, in this chapter the focus is more on in-depth examinations of specific aspects of the movement in five of the major labour exporting countries.

2.2 EMPLOYMENT OF RETURNED INDONESIAN OVERSEAS CONTRACT WORKERS

by Rianto Adi

This paper addresses an issue of growing significance in Asian countries which have sent large numbers of contract workers overseas in recent years - that of the reintegration of OCWs into the labour markets of their home country. It is based upon a 1984-5 survey of 281 returned contract workers from the Middle East and 57 families of workers who were still in the Middle East at the time of interview. In addition, six families were the subject of detailed case studies to provide more in-depth information.

Indonesian OCWs are facing re-employment difficulties upon their return from the Middle East after absences of up to 4 or 5 years. This is particularly the case among those who were professional, technical or service workers overseas. The difficulties tend to arise from a number of sources:

* they no longer wish to be farmers;

* they view their skills and experience as warranting greater compensation than is available in the wages offered in available jobs, even though these wages are often above average by Indonesian standards;

* many OCWs originally had plans to open up small enterprises upon their return to Indonesia but find that they have not accumulated enough surplus to make this possible;

* many OCWs who open small enterprises lack the entrepreneurial skill and experience to make a success of those enterprises;

* in many cases the skills and work experience gained in overseas contract work are not transferable to the local labour market upon the OCWs return.

The paper suggests that government and the private sector could greatly assist the reintegration of OCWs back into Indonesian labour markets by providing training courses in business practice, management, credit practices and marketing for OCWs and their families before and after their departure overseas. Such training would not only assist those who do have the capacity to undertake such entrepreneurial activity but also help identify those who are unsuited to such enterprises. The latter would then become aware that their aspirations to become entrepreneurs are unrealistic and could be assisted in redirecting them to more appropriate future employment alternatives.

It was found that the workers who were most vulnerable to reintegration problems upon their return were those who went into the greatest degree of debt in order to raise the necessary funding to go overseas. Many of this group attempted to become small scale entrepreneurs or petty traders on returning to Indonesia. In this context there arises the important question of skills acquired and needed by returning OCWs. Not well understood at present are:

* how new skills obtained while overseas can be harnessed upon return;

* to what extent OCWs need retraining to enable them to cope with their return, e.g. training in small business.

It is important to point out that since most contemporary OCWs going to the Middle East from Indonesia are women, training programmes in small scale trading, etc. for returning OCWs will be predominantly them. It may be their training will need to be different in type and approach than that traditionally provided for men. There is a also considerable need to counsel workers before they leave for overseas in the amount of capital they will need to raise in order to have enough to set up a viable small business upon their return.

It should be pointed out that this paper only addresses issues relating to Indonesian OCWs travelling to the Middle East under official and legal auspices. Indonesia has much larger numbers of OCWs working illegally in Malaysia and they present quite a different set of policy issues and problems to government.

2.3 ECONOMICS AND DYNAMICS OF RECRUITMENT FOR INTERNATIONAL CONTRACT LABOUR IN THAILAND

by Anchalee Singhanetra-Renard

This paper is based upon detailed field research carried out in four communities of North and Northeastern Thailand between 1985 and 1987. These communities were chosen to be typical of the villages which have been the major sources of OCWs in Thailand. The study found that in the period of a little over a decade during which there had been a significant outflow of workers to the Middle East from the communities, several significant changes had taken place in the movement. It had become increasingly complex in terms of the countries of employment, the types of workers required, the characteristics of those moving, the motivations of the workers, the recruitment processes, contract conditions, conditions at the destination, costs of going abroad, and rates of pay. Moreover, over this period there had been significant changes in the impact which the recruitment and movement of workers overseas had on the workers themselves and their home communities.

The paper identified three distinct phases in the evolution of overseas contract work in the study region. These phases have applicability to other source areas in Thailand and perhaps also to other Asian countries. Each phase involved an increasingly large number of OCWs and a different set of circumstances regarding recruiting and placement of OCWs as well as different types of impacts on the workers themselves. The main characteristics of the phases are as follows:

Phase I: (1975-1977) - During this period the workers benefitted greatly. Recruitment was generally done directly by the company which was to employ them overseas or their representatives and all costs related to the movement were paid by the employer.

Phase II: (1978-1981) - This is considered as the "golden era" by the Thai OCWS. It was a period when there was an increase in the number of opportunities and in the number of countries in which the jobs were located. However, the recruitment process largely passed from the employers to a group of middlemen--professional recruiters based in Thailand. Moreover, during this period the OCWs themselves had to pay recruitment fees, and increasingly travel costs. Nevertheless, contracts were still honoured and salaries remained high so that workers continued to experience considerable benefits.

Phase III: (1982 - Present) - In this period the picture changed to one in which the benefits experienced by OCWs (and potential OCWs) were not as great and in some cases the net impact was negative. This phase has been characterized by the exploitation of contract workers by employers, recruiters/brokers and even their fellow villagers. During this period more unskilled and poorer workers have attempted to work overseas and many have gone into substantial debt to raise the often exorbitant recruitment fees and travel expenses only to find that they did not have guaranteed jobs or that the wages were much lower than they expected. Some unscrupulous unlicensed recruiters have been active in the area and cheated would-be OCWs. Hence, on average, for individual villagers, benefits from overseas work have become much lower than during the previous phases. This contrasts with the national-level perspective held by most policy-makers and officials that the movement is overwhelmingly and increasingly beneficial, since remittances now are the nation's second largest foreign exchange earner.

It is argued that the negative impacts of failed OCWs (or would-be OCWs who are misled by unscrupulous recruiters and do not even leave the country) are being neglected by researchers and officials alike in Thailand. It is clear that attempts to become involved in overseas contract work have added a new cause of poverty, landlessness and indebtedness to many rural communities in Northern Thailand. The paper also presents evidence of increasing class differentiation within and between communities due to the impact of overseas contract work.

The paper raises a number of important policy issues:

* There is a need to concentrate government efforts on controlling unscrupulous agents. However, such efforts alone are insufficient to solve problems of cheating. There is a pressing need to familiarize rural community leaders and potential workers with the formal contract system for overseas employment so that such agents cannot mislead potential workers.

* It should be possible to use mass media to do more than simply spread sensational news about the frauds. The latter does not help much if there are no other readily accessible services in rural areas to help villagers verify that they are dealing with honest recruiters.

* The fact that workers accept overseas jobs with wages as low as for local employment suggests that overseas employment has now become an alternative for internal labour migration. It also points to the lack of development in employment opportunities within the local community.

* There is a dire need for investment within the origin communities to create alternative employment opportunities for would-be OCWs. Perhaps attempts could be made to mobilize the capital earned by successful OCWs to help create those opportunities.

Whether international contract labour has a net benefit or otherwise depends upon the level of analysis adopted - individual, community, regional or national. Policies need to take into account the continuing changes in the labour circulation process as well as the fact that what appears to be beneficial at the national level may not necessarily be so at the individual level. In fact, while the movement of OCWs during the Third phase seems beneficial at the national level, there appear to be significant costs at individual and community levels - increased class differentiation, exploitation of villagers, increased landlessness and indebtedness.

2.4 THE SOCIAL IMPACT OF INTERNATIONAL CONTRACT LABOUR ON THE FAMILIES AND COMMUNITIES LEFT BEHIND

by Stello P. Go

This paper is based on a study undertaken between 1981 and 1983 in Luzon in the Philippines. The study aimed at examining the effects of international contract labour on social, economic, demographic and psychological conditions at the household and community levels. Five communities, three with a high level of temporary overseas labour migration and two with relatively low levels, were selected for study. In each community 70 OCW households and 50 non-OCW households were interviewed using conventional household survey techniques. In addition, in each community additional information was collected using observation techniques, semi-structured interviews with key informants, life histories of selected OCW households and community records.

On balance the study found that the migration had not created any serious social and psychological effects on the families left behind. Indeed, for most OCW families a rise in both social and economic status was reported. Although women reported difficulties resulting from their husbands' absence, their overall perception was that international contract labour had enhanced their role and status, making them more independent and allowing them more opportunities for personal growth and development. The absence of husbands appears to have strengthened kin and family networks and there is little evidence of serious

marital problems resulting from the migration of OCWs. It seems that much of the discussion in the Filipino popular media about international labour migration resulting in high rates of marital dissolution is exaggerated. There was little evidence of the wives of OCWs having to take on extra work outside of the home to support the family during their husbands' absence. Indeed, female workforce participation rates were higher in the low outmigration communities. The remittances from absent husbands were sufficient to support the family, whereas in households where the husband was present the low level of wages he received meant that their wives were forced to take on work outside of the home.

This is not to say that there are no difficulties created by the absence of husbands and fathers. Most wives of OCWs reported that they experienced a certain amount of stress as a result of having to take on full responsibility for family decision making, managing the household, and disciplining the children. This was exacerbated by the concern they felt for the safety and security of their husbands overseas. Nevertheless, it appears that the extended family greatly assists in dealing with these problems.

While the study found that there did not appear to be serious negative consequences for the families left behind by OCWs, this was not necessarily the case at the community level. The study found that there was some ill feeling between the OCW and non-OCW households which had its origins in the widening socio-economic gap between the two groups. In each of the communities increased social stratification appears to have resulted from international labour migration and this is exacerbated with the passage of time and continuation of the migration. The mean income of OCW households in the survey communities varied between 3.2 and 2.2 times that of the non-OCW households. It appears as though there is considerable potential for these tensions to increase.

The study found no governmental involvement in terms of attempting to alleviate the problems created by overseas labour migration. It is suggested that there is a need for government programmes not only to address the needs of the families left behind by overseas contract workers but also to counsel workers and their families before their departure, during their absence and after their return. It is also argued that strategies need to be developed to maximize and spread the benefits of the migration more widely throughout the community. One suggestion to assist in achieving this is to encourage judicious investment by returning migrants in small enterprises within their home communities which will assist in creating long term additional local job opportunities.

2.5 USE OF REMITTANCES AND SAVINGS BY OVERSEAS CONTRACT WORKERS OF BANGLADESH

by Raiseel Awal Mahmood

As was shown in Chapter 2 remittances from nationals working abroad have been a major contributor to Bangladesh's foreign exchange earnings in recent years. This paper focuses on these remittances and reviews shifts in the levels of inflows over the last decade, examines the current pattern of uses to which migrant households put the remittances, and discusses some policy options regarding future remittances.

Between 1977 and 1986 Bangladesh received a total of $53.3 billion in remittances from nationals working abroad according to official statistics. The level of inflow increased dramatically over this period from only US $60 million in 1977 to US $311 million in 1980 and US $637 million in 1983. Moreover, since these data cover only those flows of money through formal/ institutional channels they are a gross underestimation of the actual volume of remittances. Despite the severe limitations of these statistics they indicate the enormous importance of remittances to the Bangladesh economy. In 1983/84, for example, they were equivalent to 5.6 percent of national Gross Domestic Product, 43 percent of foreign aid and loans, 34 percent of total import payments and 85 percent of import payments made out of the nation's cash reserves.

The remittances flowing into Bangladesh originate in two main regions - the Middle East and Euro-American nations (especially the UK, West Germany, USA and Canada). The relative importance of the two regions has changed significantly over the last decade. In 1977 Western countries accounted for some three quarters of incoming remittances but by 1986 the Middle East was the source of 80 percent of the inflow. The main Middle-Eastern countries involved are Saudi Arabia, Kuwait and the UAE.

A study of 306 returned migrants from the Middle East indicated that the most common and important uses of remittances were the construction of houses, the purchase of land, machinery and transport equipment, wedding and festivals and education. The level of remittances sent back by migrants during their time abroad, as well as the absolute and relative uses of these remittances is positively related to the skill level of the migrants. For example, unskilled migrants spend a greater proportion of the remittances on the repayment of loans and also on weddings and festivals.

The study also showed a positive correlation existed between the amount of agricultural land owned prior to migration and the uses of remittances. For example, of remittances sent back by migrants owning very little land, 4.97 percent was spent on machinery and transport equipment compared to only 1.46 percent of remittances sent back by those migrants considered to be in the highest land owning group. Moreover, the extreme land ownership groups spent a significant proportion of their remittances for the establishment of trade and industry.

Although there are difficulties in classifying the various uses of remittances into productive and non-productive purposes, the study identified that between 49 and 53 percent of remittances were designated for productive purposes. This use of remittances was found to be directly related with the socio-economic characteristics of the migrants, for example the skill level of migrants, the amount of remittances sent back and the length of stay abroad. For example, of remittances sent back by professional and semi-professional workers, 68 percent are used for productive purposes while the corresponding figure for unskilled workers was 47 percent. The findings of this study call into question statements by many commentators that the great majority of remittances are used for unproductive, consumption purposes.

It is clearly in the long term interests of Bangladesh to channel a greater proportion of remittances received into productive uses. However, the overwhelming policy imperative in Bangladesh and elsewhere among sending countries is toward enhancing the level of remittances rather than channeling them into more productive uses. It is argued in the paper that this emphasis is misplaced. Channeling more remittances into productive uses will require three sets of preconditions:

* The migrants and their respective families will need to accumulate some surplus out of the remittances over and above their immediate consumption needs;

* There should be opportunities available for using the remittances productively;

* Government policies toward productive use of remittances should be appropriate and constant.

There are three important areas where the government could play an active role to channel a greater use of remittances for productive purposes. These are: 1) Awareness building among the migrants or the respective families about the need for utilizing a part of their remittances for productive purposes, and also about the investment opportunities available in the country; 2) Creation of new opportunities for investment taking into account the attitudes and expectations of the migrants, geographical areas within Bangladesh where they come from, and their financial and entrepreneurial capabilities, and complemented by proper incentive schemes developed for the purpose; 3) Direct participation of the government in terms of undertaking new investments with a view of selling them to the prospective migrant buyers at a later date and establishment of necessary institutional facilities geared to channeling overseas remittances to the prospective investors within Bangladesh.

2.6 FEMALE OVERSEAS CONTRACT WORKERS - THE SRI LANKA CASE

by Malsiri Dias

A striking feature of international labour migration from Asia in recent years has been the greatly increased participation of women in that movement. Much of this movement has been surrounded with controversy, especially that of women working as housemaids in Middle Eastern countries. Sri Lanka has been one of the major suppliers to this market since 1978 when the pioneer wave of migrants left. Currently some 40,000 Sri Lankan women, most of them aged between 20 and 39, work as housemaids in Arab homes. This paper examines the characteristics of women involved in this migration, the role of government policies in the movement and the problems and pressures experienced by them prior to their departure, at the destination and after their return. It draws upon data from a number of surveys conducted by the Employment and Manpower Planning Division of the Ministry of Labour as well as detailed case studies in two communities which have sent large numbers of women to work as housemaids in the Middle East.

It was found that the bulk of women aged between 20 and 39, were married and have young children. Thee is a disproportionate representation of Muslims which reflects the preferences of recruiters catering to the Middle East market. Migrants have a higher level of literacy than the total population in their respective age groups and the bulk were housewives or unemployed prior to migration. They are not drawn from the poorest groups in Sri Lanka.

The Sri Lanka Department of Labour initially functioned as both a recruiting and regulating agency with respect to this migration but the recruiting function has largely been taken over by private agencies. The newly created Sri Lankan Bureau of Foreign Employment (SLBFE) is emerging as the most effective supervisory mechanism for foreign placements. However, unscrupulous private recruiters continue to exploit some potential housemaids. Moreover in most Middle Eastern countries domestic servants are not eligible for redress under existing labour laws. The paper argues that these migrants are poorly served by government policies and programmes partly because their earnings are considered to be minor in comparison to other labour migrants. Macro-economic developments in Sri Lanka over the last decade have seen the cost of living increase and the job opportunities available to women decline and this has encouraged many women to seek work overseas.

The case study of women indicated that they experienced considerable pressure prior to departure not only in obtaining a position through an agency, getting documentation and meeting the costs of these but also from their families. Economic motives for migration were overwhelming. Most of the women could not obtain work outside the home in Sri Lanka and had husbands in low paying and insecure employment. The fact that the women surveyed were mainly urban-based meant that most had already severed traditional constraints on the mobility of women. Regarding their experience at the destination the migrant women complained that the work was heavy and generally involved 15 hours a day but the earnings were 10 times those for equivalent work in Sri Lanka. A major problem reported by many women was the ill treatment suffered at the hands of employers with a minority of women reporting physical and sexual abuse. However, many women also indicated that they enjoyed the best living conditions of their entire lives while working overseas and spoke about their employers in a positive light. Many of the problems of adjustment could be minimized by orientation programmes prior to departure. There is also a need for close consideration to be given to how women who are exploited and abused can defend their individual rights and freedom.

With respect to the experience of migrants on their return most accomplished the reintegration easily. Moreover, there was evidence that returning women had enhanced status within the family and heightened awareness of their role in family decision making. There appears to have been little negative impact upon children of the temporary absence of their mother.

2.7 CONCLUSION

In this chapter we have summarized the papers presented at the Chiangmai workshop which were based on original research funded by IDRC. In the next two

chapters we will discuss the major issues which arose from the discussions at the workshop following the presentation of these papers. This discussion involved not only the researchers but also policy makers and officials and resource persons attending the meeting.

CHAPTER 3

MAJOR CONTEMPORARY ISSUES IN INTERNATIONAL LABOUR MIGRATION IN ASIA

3.1 INTRODUCTION

The papers summarized in the last chapter and the discussion which they generated at the Chiangmai workshop identified a number of important issues relating to contemporary developments in international labour migration in Asia. In this chapter we will discuss some of these emerging themes which are of particular significance in the Asian region. Although each of the case studies address some problems peculiar to the countries in which they were carried out, they also identified issues of general significance throughout the region. The themes presented here are not listed in order of priority or importance. Most of the issues have some theoretical significance as well as important policy implications.

3.2 METHODOLOGICAL AND DATA ISSUES

It is crucial that policy development and programme planning in international labour migration be based upon a sound knowledge of the processes influencing that migration. However, research in this field has as yet been limited, partly due to the incompleteness of the secondary data sources available (see the Preface). Hence much of the discussion at the Chiangmai conference centered around methodological and data issues. There is a need for innovative research methods in this field because of the weaknesses in secondary data sources and unique problems of access to and the cooperation of various kinds of respondents. It could well be that innovations employed in the study of internal migration could be adapted for use in the study of international labour migration. One obvious example is in the study of remittances (e.g. see Bilsborrow et. al., 1984).

It would be especially useful if longitudinal designs could be used in the study of international labour migration, e.g., in examining the situation of migrants, their families and communities before, during and after migration. International labour migration is particularly amenable to this approach since migrants are generally required to register with a national authority prior to their departure. Similarly migrants tend to come from particular regions within a country, making it relatively easy to select samples (and comparison groups where appropriate) for such studies. The major difficulty with the longitudinal design is having access to the migrants while they are overseas, especially in the Middle East where authorities are often loathe to grant permission for research into contract labour issues. This will require special resourcefulness on the part of the researcher, such as the use of mailed questionnaires or interviews at airports immediately before and after the migrant's overseas assignment.

Another issue which was stressed was the need to conduct studies which involve all of the "actors" in the migration process --not just the migrants themselves who are the exclusive focus of most studies to date. The following were identified as being particularly important:

* nuclear and extended families left behind by migrants;

* non-migrants and their families in the community of origin;

* middlemen, recruiters and contractors who are involved in the recruiting process;

* moneylenders who provide funds for migrants to finance their overseas work migration;

* agencies involved in the repatriation of money from overseas workers to their families (both formal and informal);

* international companies and others employing foreign workers of the destination;

* government agencies and employees involved in administering foreign workers at both origin and destination.

There is considerable potential for small-scale, qualitative or investigative approaches to researching international labour migration issues, including, where possible, participant observation. Discussion at the Chiangmai meetings suggested that there should be less emphasis on conventional sample survey research and more on qualitative or case study approaches to identifying and documenting the important issues and problems.

3.3 CHANGES IN THE NATURE OF MIGRATION AND THE CONTEXT IN THE RECEIVING COUNTRIES

Participants in the workshop agreed that it was possible to identify in their respective countries a series of stages in the development of international labour migration over the last decade, similar to those described by Singhanetra-Renard for Thailand (see Section 2.3). In each of the countries the effects of a decrease in wages associated with a decline in the economies of the Middle Eastern countries and increased competition between supplying countries were being reflected in a decline in the advantages experienced by migrants. Each of the countries were experiencing difficulty in placing unskilled migrants and workers in construction and other forms of infrastuctural development. The demand for workers has clearly moved toward service-type occupations such as that of housemaid. The similarity in the experience of the respective countries was striking.

Even under these circumstances, in the countries represented in the workshop there seems to be an increase in the pressure to work overseas for various combinations of the following reasons:

* The "demonstration effect" of the return of successful migrants from earlier phases of migration upon others in their home areas;

* Increased unemployment and pressure upon available jobs in the home area;

* Greater availability of information about overseas work opportunities through mass media and other information sources;

* Increased government activity in encouraging OCWs;

* Increased propagandizing by recruiters and other private agencies profiting from the movement.

There are also changes apparent in the characteristics of recent migrants compared to those who moved during earlier phases, as follows:

* a wider range of socio-economic groups are represented;

* a wider range of geographical areas of origin within the sending nations are represented;

* a wider range of skills and occupations are evident;

* a wider variety of destinations is apparent;

* a higher proportion of females is involved.

All countries reported a deterioration in the conditions of OCWs in recent years compared to the late 1970s and early 1980s. For example:

* Since 1987 expatriates working in Saudi Arabia were not given access to the superannuation conditions enjoyed by nationals working in that country;

* Absolute falls in wages have been experienced in most occupations;

* Workers almost universally now have to pay substantial recruitment fees as well as their travel costs;

* There is more frequent extortion of funds from potential workers by unscrupulous, unregistered agents and recruiters;

* "Arabization" is taking place in certain occupations in some countries of the Middle East, thus excluding Asians from certain sectors of these countries' economies.

3.4 THE NEED FOR CO-OPERATIVE ACTION BY SENDING COUNTRIES

Strong suggestions were made during the Chiangmai workshop that sending countries should engage in some form of co-operative or collective action to reduce the contemporary downward pressure on the wages and conditions of their workers in overseas countries, especially in the Middle East. Clearly one of the factors involved in the deterioration of workers' conditions is increasing competition between Asian sending countries for markets for their OCWs. In discussing what kind of collective action might be taken one idea was the

formation of a cartel or loose association of labour exporting countries. This might be modelled to some extent on the example of OPEC, which demonstrated how the suppliers of an essential commodity could, through collective action, influence the price paid for that commodity. While dealing with labour involves people and hence must be differentiated from other commodities traded on the international market there are clearly some parallels worth considering.

Clearly there is a need for international co-operation in establishing guidelines to protect the rights of migrants, set minimum wages and conditions, establish methods for the redress of grievances, etc. Such cooperation is admittedly very difficult to achieve at this time, not only due to the current competitive situation between nations and the major differences among them in government structures and OCW profiles, but also because national governments only control part of the current labour movement. The establishment of minimum wages and conditions is complicated by the existence of national stereotypes, which tend to classify workers according to work skills, language facility, productivity, diligence and reliability. Such cooperation may only be possible after economic and geopolitical realities are clearly understood and courageously dealt with by the nations involved.

A less ambitious form of cooperation would the establishment of a international forum in which labour sending countries could exchange views and take collective action when special needs arise. Such a forum should perhaps have a relationship to an existing regional or international organizations, such as ILO. One suggestion was that a start could be made within the Association of Southeast Asian Nations (ASEAN) which includes some of the major labour exporting countries. Perhaps the existing ASEAN secretariat and organization could take an initiative which could be later extended to other labour exporting nations in Asia.

3.5 LEGAL VS. ILLEGAL IMMIGRATION OF WORKERS

The Chiangmai workshop focused on immigrant workers that pass through official government channels. However, participants recognized that this only represents a fraction of the actual movement taking place. Indeed in some nations (e.g. Indonesia) illegal OCWs outnumber their legal counterparts by as much as 7 to 1. There is also some evidence that restrictions and regulations on official labour migrations increase the tendency for workers to move illegally. Very few countries have restrictions on persons leaving their countries under tourist visas, so the policing of much illegal immigration can be very difficult. A number of policy issues and questions arose in discussions relating to illegal immigration of workers.

Firstly, it is important that illegal immigration not simply be ignored by researchers and policy makers as it has been in many nations in the past. Illegal immigration, insofar as is possible, should be included:

- in all immigration statistics, even if only the roughest estimate can be made with respect to numbers;

* in designing surveys of international immigrants;

* in calculation of the contribution of OCW remittances to the sending countries' economies.

There is a tendency in some nations to consider illegal international labour migration as totally negative. The workshop suggested that a more open view be taken, since the migrants involved are often making significant economic contributions at home and at their destinations. A fresh approach would be not so much on detection of the migration and stemming its flow, but on setting up conditions which regularize it so that workers are not exploited and so that benefits of their movement, such reducing the administrative costs of migration and speeding up the processing of OCW documents, could be realized. In some cases it may even be preferable to tolerate the illegal migration in its present form since net benefits are being experienced by movers and their origin and destination communities. The fact remains, however, that illegal migrants are much more vulnerable to exploitation than legal migrants.

So little is known about illegal immigration, its scale and impacts that it is premature to consider policy options. There is a great need for innovative research strategies to be developed which would allow the true characteristics of this movement to be analyzed. As was shown in Chapter 1, illegal immigration to Japan, Singapore, Taiwan, Hong Kong, Malaysia and other Asian nations experiencing some labour shortages has increased in recent years. Even in Australia at the end of 1988 it was estimated by the Department of Immigration, Local Government and Ethnic Affairs that there were more than 70,000 persons who had overstayed visitor's visas in the previous 12 months. Obviously many of the overstayers are from Asia (Hugo, 1989).

3.6 THE ROLE OF RECRUITERS AND MIDDLEMEN

In all countries represented at the meeting it was clear that middlemen of various kinds are playing an ever-increasing role in the international labour migration process. Such middlemen are of various sorts -- contractors, recruiters, agents, black market money changers, travel agents, money lenders, etc. In many respects they are operating as the "gatekeepers" of migration. Despite this fact, they have been virtually neglected in the research to date. Clearly there is a need for investigations into how they influence the following questions:

* who migrates and what are their characteristics;

* how much the migrants pay before leaving;

* how much the migrants get paid at the destination;

* what proportion of earnings are kept by the migrants.

* what conditions the migrants encounter on arrival at their destinations.

Studying labour migration middlemen is a task which presents formidable methodological difficulties. The few attempts on record have found many to be unwilling to co-operate with researchers (e.g. Mantra and Kasnawi, 198). Obviously those working at or beyond the margins of the law will be unwilling to provide information. However, this does not mean that licensed agents can and should not be the subject of study. Indeed, in most countries there are now associations of private recruiters who are concerned to improve the image of their members in order to counterbalance press stories of cheating and exploitation. Indeed, these associations are often vociferous in pressing governments to detect and prosecute illegal, unlicensed agents, and hence may well be amenable to bona fide research.

It was disturbing to hear of the powerlessness felt by government agencies in attempting to control, influence and regulate the activities of middlemen, especially those who are unlicensed. This is clearly an area where policy intervention is in the interests of both workers and the government. Discussions at the workshop revealed that control of corrupt and illegal practices among agents is an especially pressing issue in Thailand. It was also suggested that research and action in this area should not be entirely oriented to controlling illegality among middlemen. Efforts should also be directed toward developing means whereby the recruitment process can be streamlined and cheapened thus undermining the need for middlemen. Moreover, agents should be encouraged or even directed to contribute towards worker welfare plans and provide compensation to workers who experience serious loss or damage because of agency actions or arrangements.

It was suggested that at the very least potential workers and the village leaders should have a widely understood and uncomplicated way of checking the credentials of recruiters who seek to work in their villages. The use of local radio and television facilities could also assist in the identification of both bona fide and bogus recruiters.

3.7 NEGATIVE IMPACTS IN THE ORIGIN COMMUNITIES

It is apparent from the research described in Chapter 2 that some negative consequences of international migration are being experienced in sending communities, especially during the so-called "third phase" of that migration. However, little is known about the nature and extent of these impacts. The study in Thailand revealed that indebtedness is increasing in sending communities because of the increased travel and recruitment costs which have to be borne by the worker and increased incidence of cheating of potential OCWs by unscrupulous and unlicensed recruiting agents. The role of moneylenders and recruiting agents in increasing indebtedness needs to be studied. In Thailand the problem is exacerbated by the total unavailability of credit to potential OCWs through formal channels and the total reliance on informal moneylenders who invariably charge exorbitant interest rates.

Another negative consequence noted is the increasing degree of class differentiation within sending communities due to the relative wealth of successful returning migrants. The spending patterns and lifestyles of these returnees has tended to force villages prices up even for non-migrants and has caused various forms of social conflict. Several questions arise here for which the existing body of research does not have answers, namely:

- Are the migrants drawn from social groups in the sending community which are already well-off so that migration is exacerbating existing inequalities, or are new social groups becoming well-off?

- Are the poor of the sending communities better off as a result of the migration?

- To what extent are multiplier effects operating in relation to money brought or sent home by migrants such that there is improvement in the welfare of non-migrant families?

The impact of international labour migration on the social relations of production in origin villages need to be closely studied. Such research would include consideration of the extent to which the migration undermines traditional exchange and patron/client relationships, social networks of reciprocity, etc. One intriguing notion is that the migration may be enhancing and strengthening the role of the extended family in the sense that relatives are being called upon to fill the gaps left by migrants (e.g., in their roles as spouses or parents) during their sojourn overseas. Such a phenomenon runs counter to the dominant trend in Asia towards the erosion of the extended family and the strengthening of residentially nucleated families.

3.8 INTERNATIONAL CONTRACT WORK AND WOMEN

Recent research has documented that international contract labour is no longer dominated by men in many Asian countries. The increasing participation of women in the OCW movement raises some new and important questions, especially when the women work as housemaids in foreign countries. In such occupations they are not protected by the labour laws which apply in other workplaces. The demand for maids is increasing in the Middle East and will continue to do so as the region's economy becomes more service oriented. This places pressure on sending countries to meet the demands of the domestic servant market, despite their reservations, since requirements for many other types of workers is declining. Some countries, such as India, Pakistan and the Philippines, have refused to give into this pressure and have banned this kind of labour migration to the Middle East, but such bans may not be the best response since they appear to encourage illegal migration and thus increases the vulnerability of the women even further. The need to develop protection programmes and policies is considerable. Perhaps religious groups can play a role in this, especially at the place of destination. The training of workers and development of simple complaint procedures for them also need attention. Recruiters, too, should also be held legally accountable for certain kinds of abuses which they could have helped to avoid.

While it is true that abuse and exploitation of OCWs working as housemaids occurs and is a much needed area of policy intervention, other aspects of female migration need research attention. In particular the impact of the migration experience upon the women's attitudes and their role after they return is little understood. To what extent does the migration experience help to liberate women from traditional restrictions? Large numbers of women from countries like Sri Lanka, Indonesia and the Philippines continue to press for domestic work overseas

despite negative stories sensationalized in the popular media and opposition of religious leaders. Is their motivation purely economic or does it reflect the fact that this represents one of the few opportunities for women to break out of the restrictions imposed by tradition?

There is also very little information available about the impact of the absence of migrant husbands on the status and role of women left behind. The information which exists has usually been fragmented and indirect. There is a need for in-depth anthropological research focusing on the impact of the husband's absence upon women. It could be that such absence will provide new opportunities for female assertiveness and self-reliance; on the other hand, there may be forces which act to preserve and strengthen the status quo. Until there is more comprehensive research it is impossible to know whether such migration is or is not a facilitator of change in sex role differentiation.

3.9 THE ECONOMIC IMPACTS OF INTERNATIONAL LABOUR MIGRATION

There is little doubt labour receiving countries in Asia have derived significant macro-economic benefits from international labour migration over the last decade (I.L.O., 1988). This is based upon a comparison of remittances (outflows) to gains from increased exports and other means of gaining foreign exchange. There are also numerable studies which document the macro-economic benefits of such migrations on the sending countries' economies (particularly in terms of foreign exchange gains). At the more micro level, there are still serious questions about who gains and who doesn't as a result of these exchanges. Thus, the whole issue of who benefits from the migration and by how much is an important field for future research. Some of the relevant (and difficult) questions here are:

* What precisely are the costs and benefits of the migration to the community and nation of origin as compared to those accruing to the individual migrants and their families?

* How can the benefits be spread from migrant to non-migrant households, especially in communities experiencing significant outmigration?

* How can migrant's skills, experiences and attitude changes be best put to their own and their community's advantage upon their return from overseas?

* To what extent are particular regions within the nation of origin benefitting from international labour migration and others not? Is there any scope for integrating the flows of labour and foreign exchange into models of regional development planning in some nations or regions?

There is now a considerable literature on the use made of remittances brought and sent back by OCWs. However, little is written about the important question of how these resources can be better harnessed to the benefit not just of

the migrants and their families but also their communities and nations. It seems that many return migrants are attracted toward entrepreneurship and investing their earnings in a small-scale business. This is in part a reflection of the phenomenon of self-selection -- persons who come forth as international labour migrants having more of a flair for adventure and risk-taking than others in their communities. Yet the limited evidence that is available suggests that this dream of self-employment or small enterprise development is rarely achieved. This highlights the need for the following:

* pre-departure counseling and advice (especially about what is involved in setting up an enterprise, the amount of money required, etc.);

* post-migration advice and assistance.

Another economic issue relates to the impact of international labour migration on national skill formation. Questions still remain essentially unanswered as to whether migrants gain new skills abroad which can transferred to the home situation. Some workshop participants indicated that migration may in some cases cause "de-skilling." For example, skilled persons who become unskilled labourers abroad may lose or devalue their former skills. A related problem is the temporary loss of skills experienced by the home country/community. Research has not addressed the question of whether this loss is detrimental to development efforts at home.

3.10 WHAT SHOULD THE ROLE OF GOVERNMENT BE?

There was animated discussion about the desired role of national governments in relation to international labour migration. Should they ....

* encourage the migration?

* discourage it?

* remain neutral?

Each of these positions have their costs and benefits and none seemed best under all circumstances. A consensus eventually emerged that the role of governments should vary according to the type of migration under consideration and the conditions prevalent in the sending and receiving countries.

There was also agreement that government policies and programmes in relation to international labour migration should be integrated with overall national development policies and strategies. For example, it should be part of the human resources development strategy of the sending nations. There was a caveat, however, that countries should not rely too heavily on overseas markets to absorb their excess labour.

Governments can also play a useful role in disseminating information about overseas work opportunities. In addition, they can make sure that potential OCWs

understand their right vis-a-vis employers/recruiters and are aware of appropriate costs for recruitment and placement, so that they can avoid being exploited or cheated by unscrupulous recruiters and agents. This information dissemination role, often overlooked by governments in the past, can use traditional media such as village meetings, puppet shows and folk theater, or more modern media such as radio/TV announcements or dramatizations, or videos shown to perspective migrants.

Concerning recruiters and agents, there was clear consensus that governments have a responsibility to regulate them, using such mechanisms as screening and licensing, monitoring compliance with regulations, applying sanctions in the case of non-compliance and apprehending those which operate without licenses.

Under certain circumstances, governments may even want to become directly involved in recruiting and selecting migrants. Even though these functions are generally left to the private sector, there are situations in which governments may want to enter into direct negotiations on manpower exchanges with other governments. Looking well into the future it may be that existing national groupings like ASEAN can develop common labour markets such as those operating in the European Economic Community.

Governments can certainly assist migrants by improving the administrative arrangements governing international labour migration. For example, great differences between nations were noted in the time taken to process migrant worker applications (e.g., half a day in the Philippines and six weeks in Indonesia). By speeding up processing and reducing administrative costs both migrants and governments will benefit. This should also reduce the temptation among workers to speed their exit by resorting to illegal means. Comprehensive reviews of ICL processing procedures are urgently needed in many countries. New administrative and support mechanisms should be considered also, such as the use of labour attaches of embassies in receiving countries to deal with OCW problems. Similarly there may be scope for the expansion of special bilateral arrangements between sending and receiving nations like those formalized by the Philippines and Hong Kong in order to regulate the migration and working conditions of housemaids.

Governments also certainly need to play an active role in safeguarding the welfare of migrants before, during and after migration. This should not involve not only the pre-departure counseling and training mentioned above, but also counseling and support services once the migrants return. Efforts should be made to create counseling programs which cover the real issues and vulnerabilities mentioned in this review and to coordinate pre-and post-migration support. In doing so governments would do well to involve NGO's which have been or could be active in this field, since they are often particularly committed to and capable of effective service delivery of this sort. In particular religious organizations, which have links with both origin and destination areas (Islamic, Catholic, etc.), could play extremely useful roles (as they have already in some places like Singapore).

3.11 CONCLUSION

This chapter has summarized some of the major issues raised in the discussion generated by the papers presented at the Chiangmai workshop which were based on IDRC-funded research. Its focus, like that of the workshop, has been on the migrants themselves and on the communities and nations they leave rather than on the destinations. It has emphasized the changes which have occurred in international labour migration in Asia over the past decade; the need for more effective and appropriate research methodologies; critical issues such as illegal migration, the exploitative actions of recruiters and middlemen, the vulnerabilities of women, and the negative effects of migration on sending communities; and has suggested various measures of worker support and protection which could be implemented by national governments, NGO's and groups of labour exporting nations.

CHAPTER 4

CONCLUSION: POLICY IMPLICATIONS AND RECOMMENDATIONS

Many of the policy issues discussed at the Chiangmai meeting have been raised in the preceding chapters. Accordingly, in this chapter we will only summarize the major policy issues relating to international labour migration which were discussed at the meeting. Interventions can occur at the following stages of the migration process, namely:

- recruitment at origin,
- travel to destination,
- experience at destination,
- return to origin,
- adjustment back to origin.

The policies can also apply to different groups, for example:

- the migrants themselves,
- their families and communities of origin,
- intermediaries who facilitate the migration,
- employers at destination,
- communities at destination.

No attempt is made here to comprehensively cover policies relating to all these areas but to raise issues which are especially significant in contemporary Asia.

Migration policies are notoriously difficult to implement. However, those relating to Asian labour migration are even more so for a number of reasons:

- the multiplicity of autonomous nations involved in the process;
- the overwhelmingly strong "push" factors in the labour surplus countries of the region;
- the involvement of a huge array of private intermediaries of varying legality between employee and employer;
- the reduced real costs of international travel;
- the increased strength and complexity of linkages between origin and destination set up by the movements.

Ideally policies should seek to maximize the benefits of the international labour migration for the economies of both origin and destination nations as well as for the migrants themselves and their families. They should seek to promote the long term benefits and minimize the negative impacts.

The Chiangmai meeting made the following policy recommendations:

1. Formulation of policies toward international contract labour should encompass all three stages of the movement process:

   - The pre-employment, pre-departure situation when potential migrants are seeking a job contract;

- During the course of the contract involving both workers in the countries of employment and their families in the home country; and
- Post contract/migration readjustment to home community.

2. In the countries of origin policies should cover not only the overseas contract workers but also "failed" workers (those who because they are victims of unscrupulous middlemen or for other reasons are unable to take up or complete a contract) and their families and communities of origin.

3. A wider range of organisations than the Department of Labour need to be involved in the formulation and implementation of policies and programmes relating to Overseas Contract Workers. These should include:

   - Other government agencies - industry, trade, agriculture, co-operatives, health, etc.;
   - Non-governmental agencies and local voluntary associations such as women's associations, religious groups, youth groups, business associations, etc.;
   - Private sector elements who benefit from the Overseas Contract Worker movement (e.g. recruiters, banks).

4. Changes in relevant international labour markets (demand, wages, benefits, costs, etc.) should be monitored constantly so that policies and programmes can adapt to changes. Associated with this is the need to develop community-based mechanisms for spreading this information so that individuals can make appropriate decisions about participation in international contract labour movements.

5. There is a need for greater co-operation between sending countries. There may be a role for existing regional organizations such as ASEAN in such activities. The more efficient strategy may be to begin such co-operation with a relatively limited set of goals perhaps relating to conditions and welfare of workers, standard codes of practice for recruiters, etc.

6. There needs to be a realisation among policy makers that whether international contract labour has a net beneficial or detrimental effect varies according to the level of analysis - individual, community, regional or national. Movements which are beneficial at the national level may not be so at the individual level.

7. There needs to be a recognition of the mechanisms and institutions which have evolved to support migrants overseas and every assistance given to them. These include churches, Buddhist temples, mosques, informal groups meeting in shopping centres, informal networks set up between different national and occupation groups, etc. It may be that these organisations can succeed in monitoring and maintaining the welfare of migrant workers where official organisations at the destination cannot or will not take up this role.

8. The whole issue of illegal, temporary labour migration needs to be the subject of urgent bilateral and multilateral discussion and consideration. One consideration must be given to the regularization of such movements to stop exploitation of the workers involved. Similarly,the growing illegal movements to the more developed countries in the region (Japan, Singapore, Taiwan and Australia) need close attention.

9. One of the papers at the Chiangmai meeting (by Lucita Lazo) addressed the question of setting of minimum wages for Overseas Contract Workers. Obviously such policies are difficult to implement in a climate of decline in some overseas labour markets and increased competition among sending countries. Nevertheless, continuing attempts among workers (e.g. those from the Philippines) to organize themselves to seek better wages and conditions should be encouraged.

10. One area of intervention which has been neglected is that of assisting returning workers to invest their earnings in a productive way and to readjust effectively into their origin community. Some of the policies and programmes undertaken to reintegrate workers from Yugoslavia and Turkey back into their home communities after years of living and working in Europe may provide lessons of utility to Asian nations.

11. It is clear that the extent of clandestine, illegal and semi-legal movement can be reduced if the procedures for processing legal international workers are streamlined and time delays and costs reduced. Many improvements can be made in this area in highly bureaucratic countries such as Indonesia.

12. Concerted bi- and multinational efforts need to be made to stamp out the involvement of criminals in the international labour trade. It is apparent that these elements have a major involvement in both legal and illegal movements. In early 1990 this was dramatically illustrated by events leading to the assassination of Saudi diplomats in Bangkok (Far Eastern Economic Review, 15 February, Page 14).

13. There is a clear need for research into the health conditions of Asian overseas workers. There are disturbing reports of exposure to disease being heightened among some groups of workers. For example, in March 1990 it was announced that some 20 young Thai male OCWs had died in their sleep, for no apparent course. This has been dubbed "Sudden Unexplained Nocturnal Death Syndrome" and has been associated variously with construction workers cooking their meals in polyvinyl pipes on construction sites and the stress associated with living in a foreign country. Unfortunately, there is a total lack of research into such problems.

14. Research and policy-making on the implications of the increased volume of women involved in international contract labour have been neglected. This applies both to women as migrants as well as those left behind by migrant husbands. There has been an increasing "feminisation" of labour movements from many countries in the region (e.g. Philippines, Indonesia and Sri Lanka) and while this has created more opportunities for changing the role of women in their home nations, they have often entered occupations which

expose them to various types of exploitation. This especially applies to women seeking work as domestics or entertainers. The Philippines government has estimated that (Asia Magazine, September 6th 1987, Page 9) women overseas workers remit at least half a billion US dollars a year. There is a need for bilateral and multilateral policy attention to ensure the welfare and safety of these women.

15. Remittances are a crucial element in international contract labour movement. As has been shown earlier in this report, they have assumed major significance in the balance of payments of most Asian nations. Yet, paradoxically, we know little about the effects of these remittances at the individual and community level. The crucial questions was put eloquently in a regional magazine (Asia Magazine, September 6th 1987, Page 8) in relation to the Philippines:

> "The money itself has changed millions of individual Filipino lives over the past 10 years. It has built more family homes than all the government's plans put together and kept more teenagers in high schools and universities than all the scholarships combined. But is it worth it?"

16. There is not yet a sound research basis which can be used by policy makers. There is a need for more process and policy oriented research into international labour migration. In particular, longitudinal research strategies which follow individual migrant workers through the various stages of the OCW process are required.

17. Perhaps the most fundamental question of policy concerned is: "Should contract and other labour migration continue to be regarded as desirable as a temporary solution to labour surplus and economic stagnation conditions in Asian countries?"

In addition to the above, the Chiangmai meeting participants identified a number of specific problems/questions and possible solutions, as follows:

1. **Problem:** Should governments encourage or discourage migration?

2. **Possible solutions:**

   * Governments should review policies on migration and firm up their stand on each policy area deciding whether to:

     a) acquiesce,
     b) discourage,
     c) encourage, or
     d) accommodate,

     particular types of international labour migration.

   * They should consider implementing a <u>selective</u> policy, discouraging migration:

a) to particularly exploitative destination countries, and
b) of vulnerable groups.

* They should try to negotiate bilateral arguments with receiving countries for them to extend protection to foreign workers (for example, that negotiated between Hong Kong and the Philippines).

* They should try to standardize employment contracts among labour suppliers in the region.

* They should improve co-ordination among agencies involved in migration within a country.

2. **Problem:** Workers are being victimized through illegal recruitment, non-existent jobs, exorbitant recruitment/placement fees and illegal migration.

Possible solutions:

Governments should

* regulate recruitment systems in order to preserve workers' rights.

* Intensify and broaden the dissemination of information to enlighten potential workers about the risks they face as much as possible.

* Simplify the recruitment process and cut down red tape.

* Decentralize processing of applicants, including skills/trade testing.

* Set up mechanisms for receiving complaints from victimized workers and processes to help them in the recovery of damages.

* Set up job bazaars involving legitimate labour contractors and conduct them in outlying provinces and areas.

Sending countries should

* improve their ability to detect genuineness/authenticity of travel documents and set up mechanisms to facilitate verification so that workers don't get stranded in receiving countries with illegal documents.

* Set up job banks and manpower registries at the provincial level to facilitate orderly and legal recruitment.

* Establish and/or enforce regulations on recruitment and placement fees.

3. **Problem:** Setting of wages and conditions of work.

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* Establish and/or enforce regulations on recruitment and placement fees.

3. **Problem:** Setting of wages and conditions of work.

Possible solutions:

* Sending countries should assure that departing workers have only one contract duly stamped by the labour authority.

* They should institute measures for ensuring enforcement of the original contract so that it cannot be changed subsequently, except in cases where the terms of employment are improved.

* There should be wage standards for the unskilled sector and vulnerable groups. For the semi-skilled and skilled, let market forces operate.

* Labour supplying countries should have a collective strategy and action in order to deal effectively with labour importers. They should identify areas/issues for collective action.

4. **Problem:** Heavy pre-departure costs are causing workers to go into debt.

Possible solutions:

* Information concerning legitimate fees and regulations related to recruitment and contract should be more widely and effectively disseminated.

* Channelling funds for legitimate pre-departure expenses through official channels will provide workers with some safeguards.

5. **Problem:** Prospective overseas contract workers and new recruits often don't receive enough information to make wise decisions and avoid exploitation.

Possible solutions:

* Pre-employment orientation and training programs should be strengthened.

* Orientation/training should include:

  - information about receiving countries - including culture and customs, market information/date, living conditions and the like;

  - information about previous migrants' experiences including success and failure stories to give workers a full and balanced perspective on foreign employment;

  - awareness raising on ways to use remittances constructively, legal rights and obligations;

  - training in an appropriate language for the destination (e.g. English or Arabic).

* NGOs can be used effectively in training/orientation, e.g. in assisting vulnerable groups like women in preparing themselves and their families for their absence and in planning sound remittance-use strategies.

* Pre-departure orientation/training should extend to OCW families as well as the worker.

* Private and government sectors should share in the responsibility for training and orientation.

* Mechanisms should be created wherein the costs of orientation/training are borne by the recruiters and/or employers (contractors) and not by the government or the workers themselves.

6. **Problems in the Receiving Country**

* Lack of co-ordination between the recruitment agents of the sending country and receiving country in receiving the workers at the airport in the country of destination and bringing them to the sponsor/employer.

* Difficulties in legalizing the workers' stay in the host country (i.e. getting work permits and/or identity cards).

* Adjustment of migrants to the social and cultural practices of the host society.

* Inability to cope with a different way of life, leading to stress and illness.

* Feelings of isolation, loneliness and homesickness.

Possible solutions:

* Better co-ordination among all groups involved in the employment process of overseas contract workers such as recruitment agents, employers or employers' organizations, government and other relevant agencies, in both the sending and receiving countries, and labour attaches and other official representatives of the sending countries.

* Advocacy by the sending countries that employers or employers' organizations receiving the contract workers establish briefing and counselling services at the initial stages of the contract. These briefing sessions and counselling services would focus on the characteristics of the physical, work and social environments in the host country.

* Recognition by the sending countries of the potentially important and more positive role of official representatives, such as labour attaches, and advocate that host countries permit an expanded role for such personnel.

7. Problems Back Home:

* Problems of livelihood and family stability, especially among families of overseas contract workers from vulnerable groups such as women with young children, families in low-income communities and landless groups.

* Problems of financial management during the worker's absence such as debt repayment and the timely receipt of remittances.

* Management of family crises arising from a sudden death, major accidents and the like.

* Problems of child-rearing and education when the father or mother is absent.

Possible solutions:

* The need for greater awareness among welfare, extension and educational agencies, government planners and non-government organizations that contract workers and their families are groups "at risk" and therefore often require the special service which such organizations can provide.

* The provision of counselling services by government or non-government agencies to help dependents of OCWs with contingency planning and coping with unexpected events.

* The need for establishing insurance programs for overseas contract workers, including life, health and accident insurance.

8. Problem: High levels of post-migration unemployment have been noted, very often because job and wage aspirations are too high or because jobs left behind have been filled by others (job displacement). New patterns of consumption also tend to drive returnees towards unrealistic wage expectations.

Possible solutions:

* Developing self-employment schemes with government or private associations providing necessary support to ensure their success.

* Converting savings/remittances into bonds invested in local enterprises, with the migrant having one option upon return of redeeming the bond with interest or participating in the enterprise as either an employee or investor.

* Putting savings/remittances in commercial banks and leaving the latter to channel these funds into productive employment schemes for return migrants.

9. **Problem:** Indebtedness due to increasingly higher placement fees and lower earning power, at times leading to the loss of lands and properties due to foreclosure.

Possible solutions:

* Governments should regulate the activities of agents and middlemen to ensure that they do not overcharge.

* Government could assume the role of placement agent under certain circumstances.

* Devise insurance schemes to protect workers from loss under unforeseen circumstances.

* Advisory services to help workers reclaim losses and deal with indebtedness already incurred.

* Legal mechanisms for recovering funds lost due to fraud or overcharging.

10. **Problem:** Female OCWs sometimes return with new aspirations and values which make it difficult for them to assume previous traditional roles. This sometimes results in the break-up of families.

Possible solution:

* Counselling before and after return should be provided so that the OCW and her family members can be made aware of and deal with frictions that may arise.

11. **Problem:** Loss of income and savings because of ignorance of productive ways of using savings, conspicuous consumption and so forth.

Possible solutions:

* Advisory and counselling services both for the remitting OCW and the spouse left behind on how to spend and use remittances productively.

* Provide investment mechanisms and opportunities within the OCW's community. Both Government and NGO agencies could be involved here.

* Develop compulsory or induced savings schemes with preferred rates.

* Encourage the use of commercial banks and encourage the latter to set up employment producing activities for its patrons.

* Encourage the use of commercial banks and encourage the latter to set up employment producing activities for its patrons.

* Encourage migrants to bring back productive tools or equipment; adjust import laws to accommodate this.

12. **Problem:** Inequalities, differentiations and tensions within sending communities may arise in response to newly acquired wealth by some successful OCWs.

Possible solutions:

* Introduce ceilings for new land acquisitions.

* Devise schemes for the use and maintenance of newly acquired lands to ensure that the proceeds from the use of these properties benefit the community as a whole.

* Create associations for local level investment of OCW funds which provide benefits to the community as a whole.

13. **Problem:** Rural-urban migration - OCW recruiting and processing activities are primarily in large metropolitan areas and are thus often a magnet for rural-urban migration. After return, OCW also have a tendency to relocate to urban areas where opportunities to satisfy rising expectations seem to exist.

Possible solutions:

* OCW recruiting and processing activities should be decentralized.

* Governments should assist in providing more amenities to rural areas to make return to those areas more attractive.

* Local/village associations of migrants can be organized to provide returnees a new set of social and economic opportunities.

* Unsuccessful returning migrants can be helped to readjust to community life through loans, training and encouragement.

* National development plans/strategies should include various schemes for assisting the returned OCW, encouraging the productive use of remittances, savings, new skills and imported equipment, and facilitating re-entry into the local labour force.

CONCLUSION

The Chiangmai workshop on International Contract Labour was a unique happening in many ways. It witnessed the presentation of an unprecedented set of research papers, written by Asian researchers, concerning the processes and consequences of international labour migrations in five Asian countries. It provided an opportunity for participants from those countries to perceive both the general and unique nature of the issues created by large-scale migrations

from their countries. It drew researchers and policy-makers from the region into dialogue over the significance of the research findings and encouraged them to developed research-based policy recommendations. Finally, it saw the development of a consensus on a number of important policy issues. The main findings and recommendations have been presented here in digest form in hopes that policy-makers and researchers from the participation countries, as well as those from others affected by such migrations, will be provoked into creating more just and humane conditions for the contract worker and setting the conditions whereby ever-greater benefits can accrue to the individuals, communities and nations involved.

APPENDIX 1

ASIAN REGIONAL WORKSHOP ON INTERNATIONAL CONTRACT LABOUR
Chiangmai, November 16-20, 1987

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TABLE 1: STOCK ESTIMATES OF MIGRANT WORKERS FROM ASIAN LABOUR SENDING COUNTRIES IN THE MIDDLE EAST (Source: JURIDICO AND MARIUS, 1987, 14)

COUNTRY	STOCK OF MIGRANT WORKERS	YEAR
BANGLADESH	240 000	1982
INDIA	800 000	1983
INDONESIA	93 000	1986
KOREA	175 000	1985
PAKISTAN	1 220 000	1983
PHILIPPINES	710 000	1983
SRI LANKA	110 000	1982
THAILAND	200 000	1982
total	3 548 000	

TABLE 2: IMMIGRATION LABOUR IN ARAB GULF STATES (Source: ALI, 1986, 683)

COUNTRY	1970 TOTAL LABOUR FORCE	NON-NATIONAL	SHARE IN LABOUR FORCE	1975 TOTAL LABOUR FORCE	NON-NATIONAL	SHARE IN LABOUR FORCE
BAHRAIN	60 000	12 600	21	83 000	36 000	43
IRAQ	2 395 000	*NA		2 941 000	65 700	2
KUWAIT	233 486	59 305(a)	25	305 000	213 000	70
OMAN	42 989	25 330	59	222 000	65 000	29
QATAR	48 330	40 114	83	66 000	54 000	82
SAUDI ARABIA	221 876(a)	149 012	67	1 800 000	773 000	43
U.A.E.	78 071	44 500	57	298 000	252 000	85
total	3 079 752	396 561(d)	13	5 715 000	1 458 700	26

COUNTRY	1970 TOTAL LABOUR FORCE	NON-NATIONAL	SHARE IN LABOUR FORCE	1975 TOTAL LABOUR FORCE	NON-NATIONAL	SHARE IN LABOUR FORCE
BAHRAIN	138 000	81 000	59	151 000	81 000	54
IRAQ	4 084 000	750 000	18	4 203 000	248 000	6
KUWAIT	484 106	380 608	79	414 000	247 000	66
OMAN	429 336	142 873	33	257 000	107 000	42
QATAR	121 673	102 763	84	136 000	117 000	86
SAUDI ARABIA	2 199 413	1 500 000(c)	68	3 245 000	1 680 000	52
U.A.E.	557 320	502 972	90	632 000	569 000	90
total	7 977 848	3 460 216	43	9 035 000	3 049 000	34

NOTES: (a) 1971-72 data
(b) 1965 data
(c) 1981 data
(d) for calculation of total assume same number of migrant workers in Iraq in 1970 as in 1975
*NA no data available

TABLE 3: EMIGRANT ARAB AND ASIAN WORKERS' SHARE IN EXPATRIATE LABOUR (PERCENT) (Source: ALI, 1986, 684)

COUNTRY	1975		1980	
	ARAB	ASIAN	ARAB	ASIAN
BAHRAIN	20.0	80.0	3.6	80.7
IRAQ	66.0	14.0	81.0	19.0
KUWAIT	69.4	15.9	66.0	34.0
OMAN	5.6	87.4	5.0	91.0
QATAR	27.9	55.5	23.4	76.6
SAUDI ARABIA	90.4	4.9	63.0	25.0
U.A.E.	24.6	63.7	20.0	77.0
total	43.4	45.9	37.4	57.6

TABLE 4: SAUDI ARABIA: EXPATRIATE WORKERS BY MAJOR COUNTRY OF ORIGIN, 1985 AND 1988 (Source: ANON., 1988f)

COUNTRY OF ORIGIN	1985	1988	PERCENT CHANGES
NORTH YEMEN	1 600 000	1 500 000	-6.3
EGYPT	600 000	500 000	-16.7
PAKISTAN	600 000	400 000	-33.3
INDIA	250 000	385 000	+54.0
PHILIPPINES	250 000	300 000	+20.0
BANGLADESH	70 000	150 000	+114.3
THAILAND	100 000	145 000	+45.0
TURKEY	100 000	130 000	+30.0
UNITED STATES	70 000	30 000	-57.1
UNITED KINGDOM	35 000	25 000	-28.6
SOUTH KOREA	68 000	17 100	-74.9

TABLE 5: SHARE OF THE MIDDLE EAST IN TOTAL LABOUR MIGRATION FROM ASIAN COUNTRIES (Source: *ILO*, 1988, 6)

COUNTRY	YEARS	PERCENTAGE
BANGLADESH	76-86	98.3
INDIA	82-86	95.2
INDONESIA	83-85	77.0
PAKISTAN	80-85	99.3
SRI LANKA	80-86	91.1
PHILIPPINES	75-86	80.5
THAILAND	77-86	94.0
REPUBLIC OF KOREA	77-86	72.8

TABLE 6: NUMBER OF EMIGRANT WORKERS LEAVING PAKISTAN 1977-1986
(Source: ANON., 1988g)

YEAR	NUMBER OF WORKERS	YEAR	NUMBER OF WORKERS
1977	140 522	1982	142 945
1978	130 525	1983	128 206
1979	125 507	1984	100 407
1980	129 847	1985	88 461
1981	168 403	1986	62 636

TABLE 7: SELECTED ASIAN COUNTRIES: KEY ECONOMIC AND POPULATION INDICATORS, 1986 (Source: POPULATION REFERENCE BUREAU, 1988; WORLD BANK, 1987)

NATION	POPULATION 1988 (m)	POPULATION growth rate P.A.	GNP PER CAPITA 1986 US$	GNP PER CAPITA % P.A. change 1960-86	AVERAGE ANNUAL LABOR FORCE GROWTH 1980-85	AVERAGE ANNUAL LABOR FORCE GROWTH 1985-2000
Major Labour Importing Countries						
MALAYSIA	17	2.4	1 850	4.4	2.9	2.6
SINGAPORE	2.6	1.0	7 410	7.6	1.9	0.8
HONG KONG	5.7	0.8	6 720	6.1	2.5	1.4
TAIWAN	19.8	1.1	NA	NA	NA	NA
JAPAN	122.7	0.5	12 850	4.7	0.9	0.5
BRUNEI	0.3	2.1	15 400	NA	NA	NA
Major Labour Exporting Countries						
SOUTH KOREA	42.6	1.3	2 370	6.6	2.7	1.9
PAKISTAN	107.5	2.9	350	2.6	3.2	2.8
INDIA	816.8	2.0	270	1.7	2.0	1.8
BANGLADESH	109.5	2.7	160	0.4	2.8	3.0
SRI LANKA	16.6	1.8	400	2.9	1.6	1.6
PHILIPPINES	63.2	2.8	570	2.3	2.5	2.4
INDONESIA	177.4	1.7	500	4.8	2.4	2.2
THAILAND	54.7	2.1	810	4.0	2.5	1.7

TABLE 8: NUMBER OF INDONESIAN OVERSEAS WORKERS PROCESSED BY THE MINISTRY OF MANPOWER 1969-1987 (Source: HUGO AND SINGHNETRA-RENARD, 1988)

YEAR (single year)	MIDDLE EAST NO.	%	MALAYSIA/SINGAPORE NO.	%	OTHER NO.	TOTAL NO.	% CHANGE OVER PREVIOUS YEAR
1987*	46 824	72	10 285	16	8 202	65 311	+41
1986	42 022	91	1 681	4	2 681	46 384	-18
1985	47 963	85	5 204	9	3 511	56 678	+23
1984/85	35 577	79	6 034	13	4 403	46 014	+58
1983/84	18 691	66	5 597	20	5 003	29 291	+39
1982/83	9 595	47	7 801	38	3 756	21 152	+18
1981/82	11 484	63	1 550	9	4 570	17 904	+11
1980/81	11 231	70	564	4	4 391	16 186	+58
1979/80	7 651	74	720	7	2 007	10 378	+58

TABLE 9: ALTERNATIVE LABOUR FORCE PROJECTIONS FOR INDONESIA 1985-2000 (Source: HUGO ET AL., 1987, 33)

ASSUMPTION	LABOUR FORCE PROJECTIONS (IN '000 PERSONS)			
	1985	1990	1995	2000
Increased Female Participation	67 043	76 952	88 496	101 626
Constant Female Participation	60 609	68 769	77 686	86 870

TABLE 10: SEX RATIOS OF OFFICIAL OVERSEAS CONTRACT WORKERS LEAVING INDONESIA 1983-87 (Source: HUGO AND SINGARIMBUN-HENAUD, 1988)

YEAR	SEX RATIO (Males/1000 Females)
1983	140.95
1984	85.35
1985	41.84
1986	30.94
1987	39.18

Table 11: Demographic and Labour Market Trends in Selected Middle Eastern Countries
(Source: Juridico and Marion, 1987, 20-22)

Country	Population		Workforce			Labour Market Trends for Expatriate Workers
	Total	Non-National	Total	Non-National	Asian Share	
Bahrain	415,000	138,100 (33%)	162,500	94,000 (58%)	80% (non-national population)	Due to Bahrain's highly diversified economy the slump has not been very acute, no major net returns of expatriate workers have been reported to date. Construction remains largest single employer for non-nationals (32%), followed by community and social services (27%), wholesale and retail trade (17%). Reliance on foreign labour is expected to continue.
Kuwait	1,697,301	1,016,013 (58%)	687,535	543,975 (81%)	30% (non-national population)	Well above half of all non-nationals are employed in the tertiary sectors, in community and personal services as well as wholesale and retail trade. Construction amounts to less than a quarter. Slowdown in economic activities has led to declines in absolute numbers of labour inflow, however there are yet no signs of net labour exports. Continued employment growth in the informal and domestic services. Falling real wages and labour hoarding were observed.

Oman	1,248,000	391,000 (31%)	440,000	314,000 (69%)	83% (non-national population) 90% (non-national workforce)	Net inflows of foreign workers continued into early 1986, significant net outflows began in 1987, as Oman agreed to cut back oil exports in solidarity to OPEC price consolidation moves. Increase in service sector employment. Falling real wages and labour hoarding by employers will partly offset construction departures. Construction still accounts for 48% of the non-national workforce, however with falling tendency. Due to a rising national population there will be continued pressure on social services.
Saudi Arabia	11,101,500	4,563,000 (41%)	4,910,000	3,522,700 (72%)	58% (Non-national population) 58% (Non-national work-force)	Largest employer of migrant workers in the region. Construction remains largest employer of non-nationals (29%), however share has shrunk significantly. More than half the workforce in agriculture is non-national. Overall reduction in expatriate workers since 1985, in 1986 net outflows of about 100,000. Further replacement of high-cost workers by South and East Asians anticipated. Lower wages observed. Overall optimistic predictions due to high demand in service activities. Slump in oil prices has prompted considerable rationalisation but

						was slow to reach the labour market.
United Arab Emirates	1,402,800	1,038,000 (74%)	659,000	598,000 (9%)	72% (Non-national population)	Overall net-increase of non-national population of 289,000 from 1980 to 1985, however slight decline from peak of 600,000 in 1983/84. In 1985 net decline occurred as departure of construction workers outpaces inflows into services and other sectors. High dependency on expatriates who form majority in all sectors of employment. Further reductions in the non-national workforce are expected to be only marginal. 21% of expatriates work in construction and public-service sectors, 28% in trade, commerce and personal services.

TABLE 12: OCCUPATIONAL BREAKDOWN OF SRI LANKAN WORKERS IN THE MIDDLE EAST, 1988 (Source: ISAAC, 1988)

OCCUPATION	PERCENT
HOUSEMAIDS	47.2
SKILLED WORKERS	25.3
UNSKILLED WORKERS	21.1
CLERICAL STAFF	3.0
MIDDLE-LEVEL STAFF	2.0
PROFESSIONAL	0.6

TABLE 13: SKILL PROFILE OF MIGRANT WORKERS LEAVING PHILIPPINES AND PAKISTAN 1985 (Source: ILO, 1988)

	PHILIPPINES		PAKISTAN	
OCCUPATION	NO.	%	NO.	%
PROFESSIONAL	57 617	17.1	3 306	4.0
ADMINISTRATIVE	1 202	0.4	254	0.3
CLERICAL	15 414	4.6	2 519	3.1
SALES	2 780	0.8	--	--
SERVICES	91 381	27.0	3 188	3.9
AGRICULTURAL	1 217	0.4	3 166	3.8
PRODUCTION	150 074	44.4	69 950	84.9
OTHER	18 342	5.4	--	--
TOTAL	338 027	100.0	82 383	100.0

TABLE 14: AVERAGE MONTHLY EARNINGS OF MIGRANT WORKERS BY COUNTRY OF ORIGIN AND BY OCCUPATION (USD) (Source: ILO, 1988, 9)

	PAKISTAN	PHILIPPINES	SRI LANKA	REPUBLIC OF THAILAND	INDONESIA	KOREA
	1986	1985	1985	1981	1985	1980
1. PROFESSIONAL		979	1 068	1 335		
2. TECHNICAL		546				
3. SKILLED		321	361		320	455
4. UNSKILLED	150	243	191		204	
5. LAND BASED			706			
6. SEAMEN			456			
7. ALL MIGRANTS	173	307	628		272	756

TABLE 15: MAJOR ASIAN LABOUR EXPORTING COUNTRIES: WORKERS REMITTANCES 1980 AND 1986 (Source: ANON., 1988d and ILO, 1988, 20)

	1980		1986		Annual Gross Remittances US$ in 1980-85	National Per Capita Remittance 1980-85 US$ per Person	% of GDP
	US$m	As % of Exports	US$m	As % of Exports			
INDIA	2 750	36	2 500	25	2 285.7	3.31	1.5
PAKISTAN	2 000	79	2 500	78	2 282.3	27.00	8.4
SOUTH KOREA	600	4	1 500	5	1 549.8	39.84	2.7
THAILAND	500	7	900	10	642.3	13.39	2.9
PHILIPPINES	600	11	900	18	674.2	13.59	2.8
BANGLADESH	350	36	500	56	463.3	5.11	5.3
CHINA	600	31	450	2	NA	NA	NA
SRI LANKA	200	14	400	27	288.7	19.25	5.3